

The Making of America Issue

TIME



THE HISTORY
OF THE
AMERICAN
DREAM

Is it still real?

BY JON MEACHAM



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150
YEARS



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Photograph by Jeff Minton for TIME

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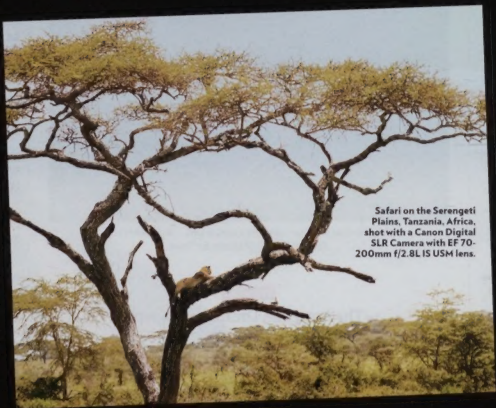
Susan Rice, U.S.
ambassador to
the U.N.

Seth
MacFarlane's
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Editor's Desk

TIME stories that elicited the most mail



Why We Need
Pension Reform

Not Legal,
Not Leaving

The Private
Sector Isn't
Fine Enough

Turning the Dream Into Reality



THE TERM *AMERICAN DREAM* was coined in 1931, in the middle of the Great Depression, but the idea is as old as the Republic. John Winthrop saw America as a "city upon a hill" even before he laid eyes on it. From the beginning, America was as much an idea as a place, and that idea was informed by the notion that America was the land of self-betterment where the only sin, Emerson said, was limitation.

This is our 11th annual Making of America issue, and Jon Meacham's insightful cover story is not only a history of the idea of the American Dream but also an explanation of why that dream may be fading. As we embark on a close presidential campaign, you could argue that the race is about which candidate can best restore the sense that the American Dream is still possible. At a time when the median income of U.S. households has dropped to what it was during the Clinton Administration, it is not easy to say that our tomorrows will be better than our yesterdays.

But the American Dream, as Jon notes, would not have unfolded the way it did without a sometimes uncelebrated and almost always unpopular partner: the federal government. From the Homestead Act, which opened up the frontier, to the Morrill Act, which launched higher education in America, to the GI Bill, which made that education affordable, the government has often fueled America's prosperity by enabling citizens to use their ingenuity and ambition to make a better life for themselves and their neighbors. In many ways, how to make government work better for all of us is what this presidential election is about. And that's an American Dream we all hope to achieve.

Rick

Richard Stengel, MANAGING EDITOR



Behind The Cover

For this week's image of a family with a perfectly manicured lawn, Los Angeles-based photographer Jeff Minton needed a vast expanse of lush green grass. He and TIME photography director Kira Pollack found one in an unexpected place: a sod farm in the California desert. To get the overhead shot, Minton remotely controlled a camera held 40 ft. in the air by a crane. For more of his images, go to lightbox.time.com.

THE CONVERSATION

'It's the right thing to do.'



Those are the words **President Obama** used, a day after TIME ran its cover story "**Not Legal, Not Leaving**," as he urged Congress to pass legislation that would create a path to citizenship for undocumented immigrants who have lived in the U.S. since childhood. Obama also announced that he was suspending deportation proceedings for undocumented but otherwise law-abiding young adults, a policy shift that will affect many of the people pictured in **Jose Antonio Vargas'** story, which sparked a national debate about citizenship limbo. "This is like skipping the line and then gloating," **John Wong** wrote on Facebook, noting that he had to wait three years for his wife to arrive legally in the U.S. But some surprising voices sided with Vargas. "I think there should be a pathway for you," said conservative talk-show host **Bill O'Reilly**. "But," he added, "if you're 32, Jose, and you sneak across the border—no."



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MAIL



Immigration Status

While we can all sympathize with the plight of people trying to find a better life for themselves and their families, Jose Antonio Vargas is on shaky ground when comparing the "rights" of illegal immigrants to the rights of gay and other U.S. citizens ["Not Legal, Not Leaving," June 25]. If I were to enter a foreign country by illegally crossing the border or intentionally overstay my visa and then falsify a Social Security card or driver's license, I would hope for leniency but certainly would not expect that government to afford me any rights. Talking about their "rights" is a slap in the face of all the immigrants who worked hard and waited long to enter this country on a legal basis.

P.J. Smith, BENTONVILLE, ARK.

Thank you, Mr. Vargas, for your brave and heart-wrenching article. As an immigrant and now citizen of this country, I have long thought the U.S. did the children of illegals a grave injustice. We have failed to remember how this country was founded and by whom, and I wish Mr. Vargas and every young person who fights to become legal much hope on the road to citizenship.

Frances D. Kurz, SPEARFISH, S.D.

Vargas writes that Arizona's immigration law gives "law-enforcement officials the power to stop anyone whom they suspect to be 'illegal.'" In truth, the law allows police to request documentation of immigration status only from those involved in a "lawful stop, detention or arrest." Although concerns that such powers may lead to racial profiling are not unwarranted, Vargas' description is inaccurate, which hurts his case in an otherwise thought-provoking article.

Anne D'Agostino, EAST HAVEN, CONN.

Pension Reform

In "Why We Need Pension Reform," Fareed Zakaria conflates the situation in Wisconsin, in which workers had their collective-bargaining rights cut, with the vastly different situations in San Diego and San Jose, Calif., where citizens decided, through democratic means, to adjust the benefits that public-sector retirees would receive [June 25]. Unions protested. Still, unlike in Wisconsin, the fundamental negotiating relationship between workers and their government employers was retained. Zakaria's piece ignores this crucial difference.

Chris Blado, SEATTLE

Some pension funds have been underfunded and some undoubtedly mismanaged. This does not mean all pension funds are underfunded and mismanaged. Reform is necessary. Pulling the rug out from under hundreds of thousands of hardworking Americans who have spent their careers working for the public good is immoral and outrageous.

Arthur Hamlin, BRAINTREE, VT.

SOUND OFF

I don't think lying is a Mormon thing or a Republican thing. It's a politician thing.



JPS1006, on one of TIME.com's most discussed stories, "The Root of Mitt Romney's Comfort with Lying," on the candidate's ability to believe untruths

SETTING THE RECORD STRAIGHT

➤ In "The Long Goodbye," we misstated the costs related to care for older Americans [June 11]. On average, the second most expensive option is not assisted living, as we said, but hiring a home health aide, whose full-time employment costs slightly more than an assisted-living facility.

WRITE TO US

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TOYOTA
moving forward

Briefing

'It is not amnesty. It is an exercise of discretion.'

1. **JANET NAPOLITANO**, U.S. Secretary of Homeland Security, explaining the Obama Administration's decision to stop deporting undocumented immigrants who were brought to the U.S. before age 18

'The worst decision by the Supreme Court in the 21st century. Uninformed, arrogant, naive.'

2. **JOHN MCCAIN**, Republican Senator from Arizona, arguing that *Citizens United* is tainting U.S. elections, after conservative mogul Sheldon Adelson said he was willing to spend \$100 million to beat President Obama

'I do have a stubborn streak in me.'

3. **AUNG SAN SUU KYI**, Nobel Laureate and Burmese Member of Parliament, during a visit to Britain, where she left her family 24 years ago to campaign against the military dictatorship in her home country

'We came close to the abyss, and we have taken a step away from it.'

4. **MARC CHANDLER**, head of currency strategy at investment bank Brown Brothers Harriman, after Greece's New Democracy party won parliamentary elections, averting (for now) the latest euro crisis

'I probably prayed more the last three holes than I ever did in my life.'

5. **WEBB SIMPSON**, 26-year-old golfer who overcame 50-to-1 odds to win the U.S. Open, beating veterans such as Jim Furyk, Graeme McDowell and Tiger Woods



13%

Percentage uptick in recent U.S. sales of bullets for Winchester rifles, largely due to people's fear that the government will make it harder to buy ammunition

132

Laws passed by the current U.S. Congress in 2011 and 2012: one-fifth of the laws concerned naming of post offices

1 in 4

Ratio of U.S. teens who say they have received a sexually explicit photo on their cell phone and forwarded it to friends



\$3 MILLION

Amount U.S. taxpayers shelled out to support the eight-week trial of retired baseball pitcher Roger Clemens—who was found not guilty of lying about not taking steroids



Briefing

LightBox

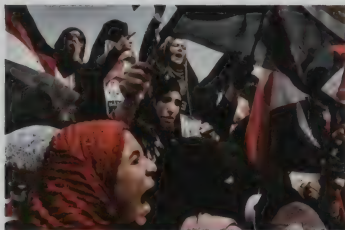
Hung out to dry

Miners abandoned this facility in northwestern Spain amid a regional strike to protest the debt-ridden government's plan to cut coal subsidies

Photograph by Emilio Moronelli—AP
lightbox.time.com



World



Female supporters of the Muslim Brotherhood rally for Morsi

After the Election, the Dictatorship?

1 | EGYPT As preliminary results of Egypt's presidential runoff trickled out, Mohamed Morsi, an Islamist leader of the once banned Muslim Brotherhood, declared victory over Ahmed Shafik, a former Prime Minister who served under ousted dictator Hosni Mubarak. Morsi reportedly garnered 52% of the vote. But the success of the Arab nation's first democratic presidential elections was overshadowed—indeed, endangered—by the military's apparent efforts to maintain its grasp on power. On June 14, in a move that reversed the fledgling democracy's hard-won gains, the country's Supreme Constitutional Court, appointed by Mubarak, dissolved the popularly elected Islamist-led Parliament. And shortly after the presidential vote last week, the ruling military council issued a declaration substantially diminishing the authority of the new President. Tens of thousands of Egyptians thronged Cairo's Tahrir Square to protest the actions of the military, which had promised a complete transition to civilian rule. Adding to the country's political chaos and uncertainty, reports emerged that the 84-year-old Mubarak, who is serving a life sentence for his role in the killing of demonstrators during the revolution last year, is critically ill, with some sources describing him as “clinically dead.”

Reprieve Without Resolution

2 | GREECE The center-right New Democracy party won a narrow victory in legislative elections, but its 129 parliamentary seats are not enough to rule without a coalition. The pro-European Union party beat out the Coalition of the Radical Left, which was deeply critical of austerity measures mandated by the E.U. Characterized as a referendum on Greece's membership in the E.U. by candidates and international observers alike, the election provides only temporary relief from worries that Greece might renege on its bailout deal.

LESSONS OF THE VOTE



U.K.

“It represents the archetypal ‘turd on the plaza.’”

OLIVER WAINWRIGHT,
British
satirist, critic,
and author of
the new
Anno Domini
Orbit structure
at Olympic
Park in London



Prodding The Russians On Assad

3 | SYRIA At the G-20 summit in Mexico, President Obama met with Russian President Vladimir Putin to discuss the continuing bloody uprising in Syria, among other issues. During a tense two-hour meeting on June 18, Obama tried to persuade Putin to help the U.S. force Syrian President Bashar Assad to step down. Two days earlier, the U.N. suspended its observer mission in Syria, saying the situation on the ground had become too dangerous for its monitors. Putin has continued to support Assad, in his eyes a strategic ally, twice using Russia's veto power to block U.N. Security Council sanctions against Syria.



Field of Dreams

4 | POLAND A boy in the Polish village of Lisewo prepares to fling a soccer ball. Poland and Ukraine are hosting the European soccer championships, a competition among the continent's best national teams that is held every four years. Unfortunately for their fans, both host nations were eliminated after the goal-heavy first round. Spain and Germany remain the odds-on favorites to meet in the final.

Out on the Town

5 | VIETNAM Traveling on the cheap? Consider Hanoi. The Vietnamese capital is TripAdvisor's most wallet-friendly destination for summer 2012. A room for two at a four-star hotel, for example, will set you back just \$84.89. (In the costliest city, London, that figure rises to \$361.64.) But prices may not stay low for long: last year Hanoi broke the 6 million-tourist mark—a big boon to the Vietnamese economy—and this year it'll get its first Hilton. Here's how other cities stack up.

How much it costs to spend a night in ...

COCKTAILS



SOURCE: TRIPADVISOR

MEXICO

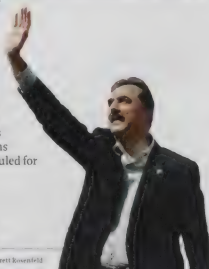
↑3.9%

Growth rate of Mexico's economy last year, significantly outpacing Brazil's 2.7%. It is on track to do the same in 2012. The uptick stems largely from a marked increase in exports to the U.S., where Mexican goods replaced some Chinese products.








Gilani Is a Goner

6 | PAKISTAN In the latest move in an escalating proxy war between Supreme Court Chief Justice Iftikhar Chaudhry and President Asif Ali Zardari, the court ousted Prime Minister Yousuf Raza Gilani from the office he had held since 2008. It was a blow to Pakistan's civilian government, which still hopes to be the first in the country's history to complete a full five-year term. Chaudhry ruled that Gilani had ceased to be the nation's Premier on April 26, when he was convicted of contempt for refusing to comply with the court's order to reopen a dormant investigation into corruption charges against Zardari. If it leads to the collapse of Gilani's coalition government, his ouster could force elections ahead of the voting scheduled for early next year.

Gilani had to wave goodbye to his job as Prime Minister



By Mark Halperin

EDGE	OBAMA	FACTOR	ROMNEY	EDGE
	Unemployment above 8% and a persistent sense that the economy and the country are ON THE WRONG TRACK threaten to overwhelm the President's other advantages	 ECONOMY	Voters consistently give high marks to the challenger's POTENTIAL TO HANDLE THE ECONOMY . His business background, coupled with his short gubernatorial and Olympic stints, matches well with the political climate	
	Attack Romney's business background! Rip his record as Massachusetts Governor! Paint him as a right-wing ideologue! Decide he has no core! Mock him as string-of-Tout your achievements! SPELL OUT YOUR AGENDA!	 MESSAGE	The GOP nominee will have the same streamlined message on election eve as he did on the day he entered the race: the Obama economy is bad because THE PRESIDENT IS IN OVER HIS HEAD and too liberal.	
TIE	As CLOSE-KNIT, UNFLAPPABLE AND DATA-DRIVEN as in 2008, Barack from Democrats outside the campaign seems only to bring them closer together—so far Centralized (good) but insular (not so good)	 CAMPAIGN TEAM	 A core of experienced Romneyites supplemented by trusted newcomers. Egos largely checked at the door, as demonstrated by the smooth integration of former Republican Party chairman ED GILLESPIE into the senior staff.	TIE
	Leveraging his latest rough patch to convince liberals to get still in the game or risk a Romney presidency. Team Obama is raising cash but remains MASSIVELY OUTGUNNED in the super PAC world	 MONEY	Proving to be ONE OF THE MOST FORMIDABLE FUNDRAISERS EVER , tapping into anti-Obama fervor and his own multiple networks of wealth: Massachusetts, Mormons, venture capitalists and Wall Streeters.	
	Still has a somewhat larger base in solid and near-solid electoral votes and MORE PATHS TO 270 . As long as he holds on in Pennsylvania and Michigan, Hispanics, younger voters and women, he keeps his advantage	 ELECTORAL COLLEGE	Needs to put some traditionally red states such as FLORIDA, OHIO AND NORTH CAROLINA firmly in his column so he can spend resources, including his time, in purple states like Virginia, Nevada and Colorado	
	JOE BIDEN's experience may make him a target for late-night comics, but he is a veteran go with deep ties to key Democratic constituencies. His determination to spend, hat's not his convention speech, and he works well with his team	 RUNNING MATES	Even the most seasoned potential picks— OHIO SENATOR ROBERT PORTMAN, FORMER MINNESOTA GOVERNOR TIM WOLFE —will face a trial by fire in the freak show, with unpredictable consequences	
TIE	THE FIRST LADY is not attending her first rodeo. She knows what's expected of her and is intensely committed to making certain her husband isn't a one-trick pony	 SPOUSES	 ANN ROMNEY is still learning the national ropes. Her occasional absence from the campaign trail and her dearth of high-profile events mean the pressure will be on. But she's charming, smart, likable and tough	TIE
	Obama's "The private sector is doing fine" remark could wind up as THE DECISIVE GAFFE of the campaign, but U.S. politics, past fourth-quarter plays is less likely than Romney blur down the stretch.	 STUMBLE FACTOR	Even after many VERBAL MISSTEPS AND THOUGHTLESS GOFS , he's still prone to run a news cycle or two with some poorly chosen words, especially when it comes to matters of wealth or a freight policy.	
	HIGHLY CONFIDENT he can dispose of his opponent once the country sees the man side by side. Knows from his 2008 debates against John McCain how to modulate his tone between killer and kind	 DEBATES	Though MUCH IMPROVED AFTER MONTHS OF JOUSTING with his fellow Republicans, Romney has never faced the bright lights and massive audiences of prime-time presidential debates. One blunder could set him way back.	
	The White House will have to hold its breath through the fall as THE EUROPEAN FISCAL MESS , overseas instability, bad economic news, and how possible Democratic endorsements of Romney loom	 OCTOBER SURPRISE?	Vulnerable to some dramatic executive action (like last week's immigration gambit) or a White House wag the dog move, as well as unexpected PERSONAL FINANCIAL DISCLOSURES .	



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Profile

Sister Simone Campbell

Holy Strategist A nun takes on bishops with a bus tour and Twitter

By John Cloud

NUNS HAVE PLAYED MANY ROLES IN Catholic history, from convent monastics to street activists, but it's difficult to think of another nun like Sister Simone Campbell. A registered lobbyist and political strategist, she has exercised quiet but important influence in advancing liberal Catholic causes in Washington. And now, with U.S. nuns taking the brunt of a Vatican backlash against decades of liberal church practices, Campbell is mounting a counterattack.

From behind sensible eyewear and unfailing politeness, Campbell is using the shrewd tools of political campaigns—from a social-media blitz to an appearance on *The Colbert Report*—to outflank the church hierarchy. Her boldest move yet: on June 18, Campbell and the lobbying group she runs, Network, launched the Nuns on the Bus tour, which is taking groups of sisters to congressional districts in nine states to argue against proposed cuts in social spending. "It is an immoral budget in what it does to people who struggle," she says.

The tour, set to end July 2, is designed to capitalize on public sympathy for Catholic sisters after the Vatican criticized the largest association of U.S. nuns—the Leadership Conference of Women Religious—for allowing "radical feminist themes" to permeate its meetings. The Holy See said the leadership conference had hosted speakers whose "rejection of faith" and "silence" on abortion had become "a serious source of scandal." The Vatican appointed three bishops to supervise the leadership conference, essentially pitting Rome—and the bishops who represent the see in the U.S.—against nuns like Sister Campbell.

Campbell has been up against bishops before. In 2010, Network angered many church leaders when it fought for President Obama's health care bill. Campbell and the sisters she represents—many of whom have spent most of their lives working with the poor—saw the bill's passage as crucial to helping people overwhelmed by medical costs. Obama hugged Campbell at the law's signing ceremony and, she says, told her that nuns' support of health care reform was a "tipping point" in getting the law passed. Now the Nuns on the Bus tour is robbing attention from the Fortnight for Freedom, a series of special events long planned by the U.S. Conference of Catholic Bishops to oppose an Obama Administration rule requiring some Catholic charities to cover contraception in their health plans.

Born in Santa Monica, Calif., in 1945, Campbell absorbed liberal values in the 1960s before taking her vows in 1967. She was part of a wave of nuns who responded to the Second Vatican Council's call for religious orders to undertake aggrimage, updating of the faith. After that call, Campbell and thousands of other sisters pursued academic degrees; Campbell's is in law.

Before joining Network in 2006, Campbell spent 18 years representing poor people at a community law center in Oakland, Calif. The number of those seeking help was crushing, and the job left Campbell with a curious but effective mixture of practicality and outrage. She and the eight other members of Network's staff raised \$150,000 and orga-

nized the nine-state bus tour in just four weeks. Already it has helped generate sympathetic coverage of the sisters' efforts to block cuts in social programs.

At times Nuns on the Bus can seem like Campbell's personal act of retaliation against the Vatican for its virtual takeover of the nuns' leadership conference and its rebuke of Network. "I've been a faithful woman religious for over 40 years," she says, with some heat. "And some guy who's never talked to me says we're a problem? Ooh, that hurts."

Now the bishops are hurting. At a June 14 meeting of U.S. church officials in Atlanta, Cardinal Seán O'Malley of Boston said the furor over the Vatican criticism of nuns had turned into a p.r. "debacle." In a bit of understatement, he said the church, "both in the States and at the Holy See, does not do a good job of communicating around controversial topics. We need more help and sophistication in our messaging." The bishops announced at the meeting that they would launch an effort to improve their image—and may even start a social-media site.

The Vatican seems unlikely to help. Even after it suffered criticism for its harsh assessment of the nuns' leadership conference, the see decided to issue, on June 4, a public denunciation of a six-year-old book on sexuality by Sister Margaret Farley. Farley is a 77-year-old professor emerita at Yale, and although her book *Just Love* offers jarringly graphic descriptions of sex acts, the Vatican could have chosen to ignore it.

Nuns on the Bus is simultaneously exhilarating and exhausting for Campbell. Like any other strategist in the eye of a campaign, she has had trouble sleeping more than three hours at a stretch. But Campbell is cheered by the idea that her activism is being noticed not only in liberal circles but in the wider media. She even has some hope that her efforts will remind bishops that they too have expressed opposition to cuts in social spending. "We're both being annoying to each other," she says. "But we can lift up another voice." ■

Says Campbell about the attack on her group: 'Some guy who's never talked to me says we're a problem? Ooh, that hurts.'

Economy

\$3.4 billion

BAGGAGE FEES
COLLECTED BY U.S.
AIRLINES IN 2011



+624%
SINCE 2007

United

\$100

Delta

\$100

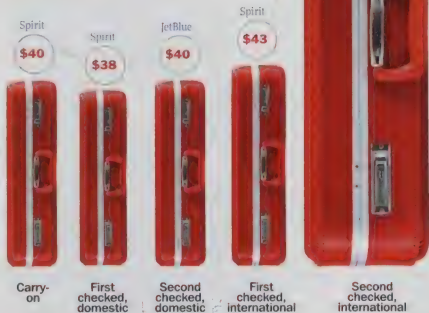
Sky High. Why airlines are supercharging their baggage fees

NOW BOARDING: THE \$100 BAG. In recent months United and Delta have lobbied triple-digit charges at travelers who check a second suitcase on transatlantic flights—the latest hike in the industry-wide fee boom that began in 2007.

While many consumers attribute the moves simply to greed—in fact, U.S. airlines collected \$3.4 billion in baggage fees last year, helping offset fuel costs—“they’re also about modifying behavior,” says Hunter Keay, an analyst at research firm Wolfe Trahan. By discouraging people from traveling with multiple bags, he explains, airlines reduce the need for baggage handlers, thus saving millions in labor costs. Meanwhile, carriers are pursuing other business ventures—like wi-fi networks that offer e-commerce deals, movie rentals and more—to boost revenue. (That make take a while, though, since only 7% of flyers use available wi-fi, according to research firm InStat.)

Bottom line: baggage fees are far too lucrative to trim, but they might evolve. “Americans don’t mind paying fees as long as they’re being told beforehand and as long as it’s not outrageous,” says Charles Leocha, director of the Consumer Travel Alliance. He predicts the next frontier will be variable pricing, with baggage fees rising during peak travel seasons, much as seat prices rise in preferred areas. “We’re getting used to the idea,” he says, “but it’s not a pleasant lesson.” —ANDREA FORD

Who charges the biggest fees?



Prices at airport-counter check-in

Checking a bag can cost up to \$40. Is it cheaper to ship?



Prices for shipping a 30-lb. package via FedEx ground service

Health & Science

Woman Enough? Inside the controversial world of Olympic gender testing

By Alice Park

CAN YOU PROVE YOUR GENDER? THAT'S THE question female Olympians could face at the London Games thanks to a proposed policy from the International Olympic Committee. The IOC hopes to test some women to prevent those with abnormally high testosterone levels from competing with an unfair advantage (or the less likely scenario of male athletes posing as women). But the suggested policy—which would affect only female athletes whose gender is questioned, as that of runner Caster Semenya (right) was in 2009—may be discriminatory and biologically unfounded.

"This policy treats testosterone in just women, not men, as if it's doping," says Rebecca Jordan-Young, a bioethicist at Barnard College. But studies show that higher levels alone do not produce better results for men or women—and that normal amounts are hard to define. And testing whether an athlete is woman enough can be devastating, says Spanish hurdler María José Martínez-Patiño, who lost her scholarship and her fiancé in 1986 after tests revealed she had a chromosomal abnormality (even though it didn't affect her performance). All of which suggests that, for now, the best form of gender testing might be no testing at all.

PHOTOGRAPH BY JEFFREY M. HARRIS
STYLING BY JESSICA CHAMBERLAIN

HAIR BY PATTI B. MAKEUP BY JESSICA CHAMBERLAIN



Milestones



DIED Rodney King

Rodney King, who was 47 when he was found dead in the pool at his Los Angeles home on June 17, was a symbol of many things. Primarily of police brutality. In 1991 he was savagely beaten by LAPD officers after speeding and refusing to stop. The King beating was vicious—but not uncommon. What separated it from others was that 81 seconds of it was surreptitiously videotaped by a stranger, giving the world a look at the police coldly and cruelly beating a black man. In 1992, the officers were acquitted of assault charges. The verdict ignited riots in Los Angeles that left 50 people dead and caused \$1 billion in damage.

It was the media that transformed King's ordeal into a moment that would never die. That's why it sits on a gruesome continuum of horrific moments that swelled to have a forceful impact on America, from Emmett Till in 1955 to Trayvon Martin this year. These three are martyrs, their moments immortalized and disseminated, thus showing black pain, revealing American injustice and tapping into the moral power necessary to inspire change. Unlike Till and Martin, King survived his moment, but it was hard living as a man who was famous for being an accidental maker of history. "I didn't go to school to be 'Rodney King,'" he said earlier this year in the *Los Angeles Times*. "It's taken years to get used to the situation I'm in in life and the weight it holds." —TOURÉ

DIED
Victor Spinetti, 82, British film and Tony Award-winning stage actor who appeared with the Beatles in *A Hard Day's Night*, *Help!* and *Magical Mystery Tour*.

THROWN
A perfect game, the 22nd in major league baseball history, by San Francisco Giants pitcher Matt Cain; his 14 strikeouts tied Sandy Koufax's record high in a perfect win.



DIED
Judy Freudberg, 62, writer for *Sesame Street* for 35 years; she was the first to suggest a daily segment featuring Elmo that became the popular *Elmo's World*.

UNVEILED
The Surface, the first tablet computer designed and sold directly by Microsoft; it will run on the soon-to-be-released Windows 8 operating software.

FLED
WikiLeaks founder Julian Assange, to the Ecuadorian embassy in London; he sought asylum to avoid extradition to Sweden, where he faces rape charges.

DIED
Dan Dorfman, 82, financial journalist whose stock tips on CNBC moved prices; in the '90s he faced accusations that he was influenced by speculators trying to sway the market.

DIED Andrew Sarris

"Psycho will be admired long after *A Man for All Seasons* is forgotten." That statement, so judicious today, was incendiary in 1968, when Andrew Sarris published *The American Cinema*, the most audacious, influential and glorious volume in U.S. film literature. As a critic for nearly half a century at the *Village Voice* and then at the *New York Observer*, Sarris, who died June 20 at 83, refined his "auteur" theory hailing a film's director as its prime author—another renegade notion taken as gospel today. But Sarris was less a dictator than a teacher and less the commissar of critics than a romantic poet whose subject was cinema. The marriage of this Greek kid from Queens to glamorous author Molly Haskell was an enduring alliance of city street and penthouse. For 43 years, they were the Tracy and Hepburn of film connoisseurs.

—RICHARD CORLISS



DIED Bob Chappuis

"When Chappuis fades back to pass, he is a slow-motion study in coolness and concentration," *TIME* wrote in its Nov. 3, 1947, cover story about Michigan's All-American half back who died June 14 at 89. But his gridiron battles paled compared with surviving after his B-25 bomber was shot down over Italy during World War II and he spent three months hiding from the Nazis. Sneaking around helped him lead the 1947 Wolverines—dubbed "Mad Magicians"—because of their tricky offensive plays—to a 1948 Rose Bowl championship. A Heisman Trophy runner-up, he still holds the Big 10 single-season passer-rating record and was elected to the College Football Hall of Fame in 1988.

—OLIVIA B. WAXMAN

How Will Toledo Vote?

Unless their leaders move fast, anxious Europeans could decide the 2012 U.S. presidential contest

SOMEWHERE IN TOLEDO THERE IS A middle-class family that holds Barack Obama's political fate in its hands. Toledo, Spain, that is. Europe's common currency is vaporizing fast along its southern periphery just months before the U.S. election, and the reactions of everyday Europeans to their predicament could determine the next U.S. President.

The last big corporations willing to park their money overnight in Spain, Greece and Italy pulled out a year ago. Six months after that, the last big private investors fled with their cash. Now the shaky banking systems of those countries survive thanks largely to everyday depositors' keeping the faith that their life savings won't suddenly be transformed from German-backed euros into pesetas, drachmas or lire or be wiped out completely in a national bank failure. A bank run that starts in Spain won't end there. It could destroy remaining confidence in debt-laden countries, break the euro zone and send shock waves through economies from America to Asia.

That could be fatal for Obama's re-election hopes, and there's not much he can do to stop the chain reaction. In theory, Obama could throw American economic might into the fight by publicly embracing a forceful intervention by the International Monetary Fund. He could also urge the U.S. Federal Reserve to support its European counterpart by swapping dollars for euros to prop up the euro if a fiscal mushroom cloud goes up over Madrid or Rome. In exchange for some international cover, Germany and other rich euro-zone nations might accept closer political and financial

partnerships with the poorer countries along the Mediterranean.

But bailing out Europe via the Fed—or worse, via an international institution—would be political suicide in an election year. November is already shaping up to be about the proper role of government in the U.S. economic recovery. You can almost hear the GOP crafting the ads that would result if Obama were to get fully behind a U.S.-led bailout of Europe, even if the U.S. were to benefit. And yet if Europe swoons and takes the weak American recovery with it, Republicans will say Obama should have done more. It's a tailor-made

It's true that only Europe can preserve its currency. IMF chief Christine Lagarde has some prescriptions for the continent's ills. For starters, Europe needs the equivalent of FDIC insurance for depositors. A euro-zone-wide system that reassures small depositors will make any panic-driven bank runs less likely. Second, Europe needs one organization with the authority to unwind insolvent banks, also like the FDIC, which has quietly taken over 450 small U.S. banks since the financial crisis began in 2007. But those steps can work only if Europe achieves true financial union, including one body to



trap on the biggest issue of the election.

So Obama is left with badgering Europe to fix itself while hoping the bottom doesn't fall out. He has dispatched Under Secretary of the Treasury Lael Brainard with a long list of things the Europeans should do, from streamlining its emergency bailout fund to easing off austerity demands on the staggering southerners. At a June 8 press conference, he called on Europe to take "specific steps right now to prevent the situation from getting worse." The approach is heavy on talk and light on action. At the G-20 summit in Mexico on June 18, the U.S. sat on its hands while emerging-market countries bolstered the funds available to the IMF, which doesn't have nearly enough money to bail out Europe. Frustrated IMF officials complain that Obama and his team aren't even leading from behind.

monitor and regulate banks to keep them from becoming insolvent in the first place.

Eventually Europe, and Germany in particular, needs to embrace the kind of tighter political union that has allowed the U.S. to shift resources from its rich states to its poor ones in service of common economic growth. That requires a level of faith that is diminishing by the hour. Though average Europeans may still believe they belong to a currency union, the euro zone has already effectively ceased to exist as banks have stopped lending to one another and the single euro market has fragmented. European leaders who will meet June 28 in Brussels know that Lagarde's therapies must be adopted. But if all they do is talk, watch out: middle-class savers in Spain, Greece and Italy may yank their deposits, casting a vote against the euro—and the U.S. President—on fear, not faith. ■

If Europe swoons and takes a weak American recovery with it, Republicans will say Obama should have done more

Rana Foroohar



Don't Yield to the Bond Bubble

The price of safety is a negative return.
Why stocks and (gulp) real estate beckon

REMEMBER THE GOOD OLD DAYS—you know, before 2008? Spirits were high, politics was less fraught, and making money was easy. We all know how that ended. Today, investors wouldn't dream of expecting double-digit returns; they just crave a safe haven—someplace to stow whatever assets and sanity they have left while they fret about the euro-zone crisis, the U.S. elections and fiscal cliff and a potential global double-dip recession.

Trouble is, the panicky flight to safety is creating a new kind of bubble, this time in the U.S. bond markets. The supply of safe assets, which historically meant AAA-rated government bonds, mortgage-backed securities and gold, has been declining precipitously over the past few years. Forget about Fannie and Freddie's laughable mortgage bonds, gold is 14% off its peak and fading, and the downgrading of rich-country debt since 2007 has been even worse. Back then, 70% of it was top shelf—today, it's about half that. In a world in which AA is the new AAA and even bank deposits aren't considered completely safe (as MF Global reminded us), U.S. Treasuries are the last last resort; as investors have flooded into them, yields dropped to 220-year lows. The practical result is that if you own T-bills, you are basically paying the government for the privilege of babysitting your money while you go nowhere.

The cycle is likely to continue over the next few years as the Fed, spooked by the feeble economic numbers of the past few months, has extended its Operation Twist to hold interest rates (and thus bond yields) down longer term, to keep prodding borrowing and investment. And indeed, there's a strong case to be made that all those with decent credit who can borrow—consumers, countries,

companies and governments—should dive in, since rates won't be this low again in our lifetimes. Frankly, you'd have to be daft not to find projects that would pay a 3% annual return in the next few years. Consider some of the big, broad investment stories of the moment, like the homegrown energy boom in the U.S. or the growth in emerging markets. (Sure, those markets are slowing, but they'll still need a lot more electricity,



steel and construction equipment over the next decade.)

And remember real estate? Ouch, you do. Sorry. But it's looking to be a safer bet. The asset that caused our financial freak-out has, by many indicators, bottomed out. Building permits, the leading indicator of future construction, jumped nearly 8% in May; that sets the stage for some major construction this summer. "Interest rates are low, prices are low enough to encourage buying, and yet rents are rising—a kind of dividend which may well beat inflation," notes Paul Ashworth, chief North America economist at Capital Economics. Bargain

basement condo in Florida, anyone?

But the most profound investment takeaway from the brewing bond bubble is that we should redefine what's considered a safe asset. Last January, I wrote that stocks were becoming the new bonds, as the smart money dumped government debt and picked up not only corporate debt—which has outperformed global sovereign debt since 2008—but also blue-chip equities. It's a trend that has only gained steam with the euro-zone crisis. As a recent Bank of America Merrill Lynch (BOAML) report noted, Portugal's equity market is now the size of Whole Foods.

The logic isn't hard to follow. After all, which would you rather own: exploding European bonds, T-bills that lag inflation or the stock of a global franchise firm (think Coke or Intel) that is flush with cash, building its brand in the world's fastest-growing markets and paying out a safe, predictable, inflation-beating 3%-a-year dividend in the meantime? What's more, there's reason to think these stocks will rise—every new bull market in equities since the 1920s has coincided with an inflection point in bond yields. If it's a good enough strategy for Warren Buffett, it's good enough for me.

The final point to consider when investing in the age of anxiety: good financial management tops fancy financial engineering. Markets and companies that entered the postcrisis era with strong balance sheets have outperformed those that held more debt (often taken before rates were quite this low) by 51% since the start of 2009, according to a BOAML report. Not only are they well placed to grow by snapping up fire-sale assets, but they'll also be in a much better position when the bond and interest-rate worm begins to turn and capital becomes a lot more expensive than it is now. With T-bill yields as low as they are, that day feels very far away. But wise investors should remember that every bubble—even a bond bubble—eventually bursts.

GECKONOMICS

301



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in saving money on
car insurance

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Joe Klein



GRAND HAVEN

An Election of Lesser Evils

In the heartland, voters sound dissatisfied with both Obama and Romney

IN THE EARLY AFTERNOON of June 19, 2012, my third annual road trip collided with Mitt Romney's presidential bus tour in the lovely little town of DeWitt, Mich. I suppose it was inevitable that sooner or later we'd come across a full-fledged stump speech, and there was Romney, in front of Sweetie Licious Bakery Café, saying, with utterly feigned surprise, "We came here to have some cherry pie and we find all these friends standing here," as if his campaign hadn't spent the last 24 hours blocking off Bridge Street and setting up loudspeakers and security posts. But I quibble: Romney was actually a lot better than when I last saw him during the Republican primaries. He had some new lines, like, Obama "promised hope and change, but now he's hoping to change the subject" from the economy. Occasionally, he even hoisted himself to moments of semi-convincing passion. He said he was going to get the Keystone pipeline built, and here he started to yell, "if I have to build it myself!"

The afternoon was notable for another reason. After 19 days on the road, I finally found an unalloyed, enthusiastic Romney supporter. Her name was Penny Ancel. She had worked for Governor George Romney as a paralegal. "He was intense," which was

clearly a euphemism, "but there was never any question where he stood." She supports young Romney "because I know the integrity and honesty he was raised with." And she really didn't like Barack Obama. Well, maybe her support was more of a father-to-son bank shot.

The polls are close in Ohio and Michigan. Both Romney and Obama have problems in the heartland, but Romney's are more serious. People have mixed feelings about the President. Most are disappointed that he didn't turn out to be Superman, but they credit him for trying hard and for being smart, honest and benign; others have legitimate policy beefs with the Obama Administration, especially environmental and regulatory complaints in the coal country of southeastern Ohio; and then there are some who see him as the devil incarnate. Romney, on the other hand, inspires very little passion one way or the other. Midwestern businessmen tend to trust him for that reason, but most of his other supporters simply see him as the lesser of two evils, at best.

"Romney smells like money to me," said Janice Jarvis, an Ohio Republican whose family was in the process of tumbling out of the middle class. I met her as she stocked up at a food pantry in Newcomerstown. Her husband had taken a 60% reduction in salary at General

Electric; her son and daughter-in-law had moved back home, jobless (although her son was just starting work on a garbage truck). "But I guess I have to vote for him." Why? I asked. "Because I think Obama is hiding the truth about his past. I think he's a Muslim and he's trying to destroy America. One day the truth will come out."

Most of Romney's supporters were less melodramatic, but they had one thing in common: their vote for Romney was primarily a vote against Obama. And more than a few who might vote for Romney have been spooked by the Republican Party's social extremism. "I'm the guy the Republicans should be most worried about," said Joe Messina, a geography professor at Michigan State University. "I'm a veteran. I'm a libertarian conservative. I'm not at all pleased with Obama. But I think the Republican position on science is indefensible. At this point, I just don't know who I'm going to vote for."

Penny Ancel with a photo of former governor George Romney

ILLINOIS
June 21

CHICAGO

INDIANA
June 20

TERRE HAUTE

03312
Joe's odometer

Even more troubling for Romney was the reaction of a small group of first responders in Brighton, a central Michigan town located between Detroit and Lansing. I'd met with these police officers, firefighters and emergency medical workers two years ago, and they'd been in despair. Most of them were Republicans. All of them had voted for Rick Snyder, a Romney-style businessman, for governor in 2010, and for a Republican state legislature. "Boy, was that a mistake," said Kevin Gentry, a deputy fire chief and an adjunct law professor at Michigan State. "We've got huge economic problems here and what do they do? They spend all their time on social issues." Others jumped in: the Republicans were trying to regulate abortion clinics out of business, trying to limit research on stem cells at the University of Michigan, fighting over a "no helmet" law for motorcycle riders, kicking a legislator who used the word *vagina* off



THE READ IDE'S
BLOG POSTS: GO TO
time.com/swampland

the floor of the state legislature. "I think this is going to splash over onto Romney," Gentry said. "I can't vote for [him]. He's running on the same thing that Snyder did—he's a businessman, but he has a conservative social agenda. And we've seen what comes first when they get in office," although Romney never even mentioned social issues in DeWitt. "And his opposing the auto bailout was really stupid in Michigan."

growing, Kasich claimed, because he had been aggressive in luring medical, insurance and banking jobs to the state. Kasich was right, but also wrong: Ohio's economy would have collapsed but for the bailout. There were innumerable jobs in auto parts manufacturing companies, and the stores and saloons that serve those factories, that simply wouldn't exist now if the bailout hadn't occurred. Tax revenue would have plummeted, which would have made it impossible for Kasich to balance the budget and cut taxes.

The auto bailout is a big deal in this part of the country. It is that rarest of stories in these complicated times, a government program that actually worked. Ohio's Democratic Senator, Sherrod Brown, who is up for re-election this year, loves to sing the praises of the Chevy Cruze, which is made at Lordstown—where the factory, which was nearly idle three years ago, is now working triple shifts. "It's an Ohio car!" Brown said in his gravelly, unpretentious voice. "Assembled in Lordstown. The engine is made in Defiance. Transmission in Toledo. Steel in Toledo. Aluminum in Cleveland." He went all the way to the seat covers and sound system—all made in Ohio. (I wouldn't be surprised to see an "Ohio car" ad emanating from either the Brown or the Obama campaign in the weeks to come.)

The public reaction to the auto bailout in Ohio and Michigan should be instructive to both Romney and Obama. You could argue that the federal bank bailout accomplished many of the same results on the national level—it prevented an economic collapse. But people don't see it that way. "That bank bailout only helped the bankers line their pockets," said Katie Bunkers, a nurse in Toledo. "At least we got something out of the auto bailout." And that is where the challenge lies for Obama and the Democrats in general. It's been a long time since middle-class Americans saw government act on their behalf. They suspect it does most of its business with the rich and poor. That isn't true, of course. But those, like the President, who favor government action to solve our problems have to explain to people like Katie Bunkers, in the clearest possible terms, how ginormous, complicated pieces of legislation like economic stimulus and financial reform will benefit them. ■

Ohio Governor John Kasich told me the auto bailout hadn't added all that many new jobs. The auto companies were consolidating workers, closing down old plants and moving them to places like Lordstown, he said. Ohio's economy is



Sweet spot From top: Romney greets supporters outside a bakery in DeWitt, Mich.; auto workers listen to local candidates in Heath, Ohio



THE AMERICAN DREAM

Keeping the

Work hard and you will prosper: the premise of the
the world. Here's how the idea got started—

Pursuit of happiness

*A Fourth of July celebration
in Independence, Mo.*

Photograph by Mike Sinclair



Dream Alive

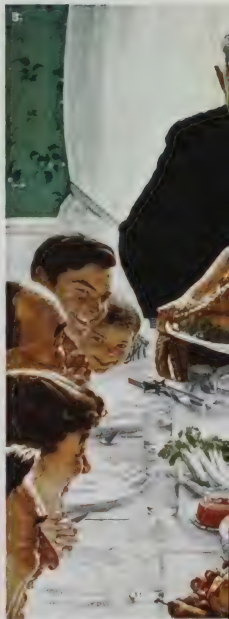
American Dream has nurtured our nation and changed
and why its future is in doubt By Jon Meacham



1. "To have and to hold": eligible women arrive at Jamestown, Va., in 1619

2. Railroads opened up the West and changed the landscape of America

3. "Freedom from want": a Norman Rockwell vision of prosperity in 1943



The American Dream has seen better days—much better.

The perennial conviction that those who work hard and play by the rules will be rewarded with a more comfortable present and a stronger future for their children faces assault from just about every direction. That great enemy of democratic capitalism, economic inequality, is real and growing. The unemployment rate is dispiritingly high. The nation's long-term fiscal health is at risk, and the American political system, the engine of what Thomas Jefferson called "the world's best hope," shows no sign of reaching solutions commensurate with the problems of the day.

It has not always been this way. On Friday, May 1, 1931, James Truslow Adams, a popular historian, was putting the final touches on the preface to his latest book. It was a curious time in the life of the nation. Though the Crash of 1929 had signaled the beginning of the Great Depression that was to endure for years to come, there was also a spirit of progress, of possibility. On the day Adams was finishing his manu-

script, President Herbert Hoover pressed a button in Washington to turn on the lights of the newly opened Empire State Building at 34th Street and Fifth Avenue, which, at 1,250 ft., was to be the tallest building in Manhattan until the construction of the World Trade Center four decades later.

High hopes amid hard times: the moment matched Adams' thesis in his book, *The Epic of America*, a history of the nation that was to popularize a term not yet in the general vernacular in those last years of the reigns of Harding, Coolidge and Hoover. Adams' subject, he wrote, was "that American dream of a better, richer, and happier life for all our citizens of every rank which is the greatest contribution we have as yet made to the thought and welfare of the world." It was not a new thing, this abiding belief that tomorrow would be better than today. "That dream or hope," Adams wrote, "has been present from the start."

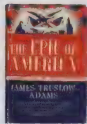
What was new was the specific phrase Adams was using: *the American Dream*.

From John Winthrop and the Puritan search for an earthly "city upon a hill" in the New World to Benjamin Franklin's "The Way to Wealth" aphorisms to Horatio Alger and the drama of the upwardly mobile, Adams' phrase had—and has—the deepest of roots in the American experience. For reasons ranging from geography to market capitalism to Jeffersonian ideas of liberty, we may well be the only people on the planet who tend to believe without irony that Thomas Paine was right when he declared that "we have it in our power to begin the world over again."

In fact, we don't have that power. No one does. History cannot be dismissed with a nod. But from generation to generation, Americans have indeed dreamed



4.



4. A wagon train moves homesteaders across the open plains, circa 1885. 5. *The Epic of America* by historian James Truslow Adams introduced the phrase *American Dream*. 6. A group of young immigrant boys at 1921

5.

of steady personal and national progress. In the twilight of his life, Franklin D. Roosevelt, himself one of the most accomplished purveyors of hope and dreams in American history, recalled the words of his old Groton School rector, Endicott Peabody, who had told him, "Things in life will not always run smoothly. Sometimes we will be rising toward the heights—then all will seem to reverse itself and start downward. The great fact to remember is that the trend of civilization itself is forever upward, that a line drawn through the middle of the peaks and the valleys of the centuries always has an upward trend."

Roosevelt quoted that observation in his final Inaugural Address in the winter of 1945, and in the ensuing decades, American

power and prosperity reached epic heights. The Peabody-Roosevelt gospel seemed to get it right: the world was not perfect, nor was it perfectible, but the story of America was at heart the story of doing well, of conquering disease and going to the stars and defending freedom and creating wealth. By and large, Americans of the postwar era were living those "better, richer, and happier" lives that Adams had written about in the shadow of the Crash.

WHOEVER RISES TO DELIVER THE INAUGURAL Address of 2013 will speak to a nation in which the American Dream is under profound economic and cultural pressure. This is perhaps best measured by the state of the middle class, about which we hear

so much, and with good reason: roughly 90% of Americans self-identify as middle, upper-middle or lower-middle class (2% acknowledge being "upper class"; 6% say they are "lower class").

Definitions of class are hard to come by—so much so that the U.S. Department of Commerce, on behalf of Vice President Joe Biden's White House Task Force on the Middle Class, emphasized descriptive language rather than statistics, finding that "middle-class families are defined by their aspirations more than their income. [We assume] that middle-class families aspire to homeownership, a car, college education for their children, health and retirement security and occasional family vacations."

The government's verdict: "It is more

UNION PACIFIC 150 YEARS

Abraham Lincoln



1862

As the country stands divided, North against South, President Abraham Lincoln and Gen. Grenville Dodge envision a nation connected by rail. President Lincoln signs the Pacific Railway Act, initiating the heroic efforts of more than 20,000 men working in the most extreme conditions to connect our country.



1880



The railway becomes a nationwide communications line, with the telegraph system reaching coast to coast. Union Pacific also emerges as the single largest mail carrier for decades to come.

Answering the need to get perishable fruit to market, Union Pacific and Southern Pacific establish the Pacific Fruit Express, forever changing the American diet by providing fresh produce previously not distributed outside native regions. A year later, Pacific Fruit Express expands to 6,600 cars.



Union Pacific begins its enduring support of the U.S. military, joining the war effort in raising bonds while mobilizing troops and resources for the European front.

1906

1918

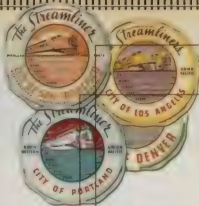
1869

After the Civil War, the race to complete the transcontinental railroad is on, with Union Pacific carving a path west from the banks of the Missouri River and Central Pacific building east from California. The two meet at Promontory Summit, Utah, where a nation once divided is reunited with the driving of the golden spike.



1883

Trains intersect and make connections in cities and towns nationwide. Union Pacific adopts time standardization for accurate schedules and traveler safety, decades before congressional recognition of what are now our standard time zones.



1934

1936

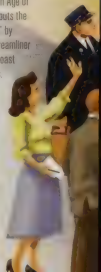
Marking the beginning of the Golden Age of Travel in America, Union Pacific debuts the first M-10000, nicknamed "Lif' Zip" by railfans. That same year, the streamliner "City of Portland" sets a coast-to-coast record of 80 hours and 55 minutes.

1897

E.H. Harriman purchases Union Pacific for \$110 million, setting in motion a restructuring that makes the railroad an unprecedented transportation leader moving forward to the 20th century.



Streamliners "City of Los Angeles," "City of San Francisco" and "City of Denver" offer service between Chicago and the Pacific Coast, introducing passengers to destinations in the beautiful West.



The famous North Platte Canteen opens in Nebraska. Union Pacific employees' wives and daughters from communities surrounding North Platte provide a welcome respite for World War II troops far from home, hosting 10,000 servicemen and women a day.



1941



Passage of the Staggers Rail Act breathes new life into the railroad. This partial deregulation allows Union Pacific to streamline operations and merge with the Western Pacific and Missouri Pacific, followed by acquisitions of the Missouri-Kansas-Texas Railroad in 1985 and the Denver Rio Grande in 1989.



The national Rail Passenger Service Act transfers most passenger service to Amtrak, a federally subsidized passenger railroad, allowing surviving railroads to focus on freight service.

1971

1980

1989

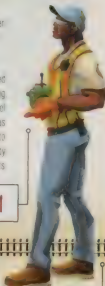
Opening of the Harriman Dispatching Center creates a centralized location to manage the entire Union Pacific railroad network, dispatching 2,000 trains daily.

1995/96

Additional mergers, including those with the Chicago & North Western and Southern Pacific, establish gateways for Union Pacific to better access and serve the energy and agricultural industries.

Union Pacific implements simulated training for locomotive handling, which now includes remote control technology. Innovations such as these have continued to strengthen Union Pacific's safety and productivity efforts.

2001



In the 1950s, celebrities, dignitaries and common Americans alike experience the romance and allure of traveling by rail. The "Train of Tomorrow," debuted by GM and then purchased by Union Pacific, boasts glass-dome cars, time dining and unrivaled service.

1950



1996

2002

2000

In 1996, Union Pacific carries the Olympic torch destined for the Summer Games in Atlanta, and again in 2002 for the Winter Games in Salt Lake City.



Rails once spiked into place by hand are now laid with state-of-the-art technology.

2012



To the companies and communities we serve. To the generations of railroaders who connected a nation and continue to deliver the American dream. We offer our gratitude and the promise that even though we've been at this since 1862, we're just getting started.

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1. Freeways in L.A. 2. Oklahoma! optimism 3. A 1968 Kodak ad shows the "all-American" family 4. Frontier life in TV's *Little House on the Prairie* 5. Bruce Springsteen sings of America's broken promises, 1984

2.



3.



FROM THE SMALL SCREEN



5.



difficult now than in the past for many people to achieve middle-class status because prices for certain key goods—health care, college and housing—have gone up faster than income. Median household income has also remained stagnant for more than a decade; when the figures are adjusted for inflation, Americans are making less now than they were when Bill Clinton was in the White House.

There, in brief, is the crisis of our time. The American Dream may be slipping away. We have overcome such challenges before. To recover the Dream requires knowing where it came from, how it lasted so long and why it matters so much. Emerson once remarked that there is properly no history, only biography. This is the biography of an idea, one that made America great. Whether that idea has much of a future is the question facing Americans now.

The History of a Dream

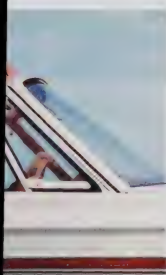
DREAMS OF GOD AND OF GOLD (NOT NECESSARILY in that order) made America possible. The First Charter of Virginia—the 1606 document that authorized the founding of Jamestown—was 3,805 words long. Ninety-eight of them are about carrying religion to "such people as yet live in darkness and miserable ignorance of the true knowledge and worship of God"; 97% of the charter concerns the taking of "all the Lands, Woods, Soil, Grounds, Havens, Ports, Rivers, Mines, Minerals, Marshes, Waters, Fishing, Commodities," as well as orders to "dig, mine, and search for all Manner of Mines of Gold, Silver, and Copper."

Explorers in the 16th and 17th centuries sought riches; religious dissenters came seeking freedom of worship. In 1630 layman John Winthrop wrote a sermon alluding to America as "a city upon a hill," explicitly

linking the New World to the Sermon on the Mount. (Always shrewd about visuals, Ronald Reagan would add the adjective *shining* to the image several centuries later.)

We have been cognitively dissonant from the beginning. European settlers set about driving the Native American populations to the west, setting in motion a tragic chain of events that culminated in the Trail of Tears in the middle of the 19th century. In 1619, meanwhile, a Dutch man-of-war brought African slaves to Virginia. And so while white settlers built and dreamed, people of color were subjugated and exploited by a rising nation that prided itself on the expansion of liberty.

The British Americans who broke with England to form a new nation in the 1770s found slavery inconvenient but not insurmountable as they codified the dream that had fueled the discovery and early years of



7.



6. A family in front of their new suburban house.
7. Martin Luther King Jr. delivers the "I Have a Dream" speech, 1963.
8. "Maven" enjoys the suburbs.
9. The Aoyagi family shows small-town life, 1965. 10. The Simpsons, embodying middle-class dream.



9.



the New World. By founding the U.S. on the idea that a man's natural rights included "life, liberty and the pursuit of happiness," Jefferson, writing in the Philadelphia summer of 1776, put hope at the center of the national drama. *The pursuit of happiness* is a phrase philosophically rooted in the thinking of the Scottish Enlightenment, but it was only in America that the notion moved from theory to broad-based reality.

This was partly because there was so much room to run in the New World. The vastness of the continent, the seemingly endless frontier, the staggering natural resources: these, combined with a formidable American work ethic, made the pursuit of happiness more than a full-time proposition. It was a consuming one, all-enveloping. Suddenly birth mattered less than it ever had before. Entitled aristocracies crumbled before natural ones. If you were white and willing

to work, you stood a chance of transcending the circumstances of your father and his father's father. By 1832, the height of the Age of Jackson, even Henry Clay, who thought Old Hickory an American Bonaparte, could declare, "We are a nation of self-made men."

The next year, President Jackson appointed one such man to be postmaster of Salem, Ill. Though a Whig, Abraham Lincoln was happy to accept. His rise from frontier origins became both fable and staple in the American Dream narrative. Lincoln understood the power of his story in real time, for he knew that he embodied the Jeffersonian hopes of Americans everywhere. "I happen temporarily to occupy this big White House," Lincoln said the year before he died. "I am a living witness that any one of your children may look to come here as your father's child has."

The Dream is about liberty and prosper-

ity and stability, but it is also about escape and reinvention. Mark Twain understood this. *The Adventures of Huckleberry Finn* doesn't flinch from the racism and greed of American life. If there is any redemption to be found, it comes from small moments of communion, of humanity. The novel concludes with the enslaved Jim's being granted his freedom and Huck's deciding "to light out for the Territory, ahead of the rest"—an enduring American impulse and an essential element of the American Dream.

The myth of the West was the myth of the nation: that all of us could light out for the Territory and build new, prosperous lives. The allure of the belief in the individual's capacity to make his way—to cross oceans or mountains—only grew stronger as America grew older. Our center of political gravity has always been in motion from east to west (and, to a real extent,



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from north to south). Though the Census of 1890 declared that the frontier was no more, the idea of packing up and moving on to better things has never faded.

Dream and Reality

YET THERE IS A MISSING CHARACTER in this popular version of the story of America's rugged individualism: the government, which helped make the rise of the individual possible. Americans have never liked acknowledging that what we now call the public sector has always been integral to making the private sector successful. Given the American Revolution's origins as a rebellion against taxation and distant authority, such skepticism is understandable, even if it's not well founded. As we have with race, we have long proved ourselves quite capable of living with this contradiction, using Hamiltonian means (centralized decisionmaking) while speaking in Jeffersonian rhetorical terms (that government is best which governs least).

The Pacific Railroad and Homestead acts, signed by Lincoln a century and a half ago this year, used the power of government to settle the West. The railway legislation gave federal support to the creation of a transcontinental railroad, a vast project that played a key role in making the U.S. an economic and cultural whole. Once the Golden Spike had joined the rails of east and west, the danger and duration of stagecoach rides gave way to the muscle and speed of locomotives—able to carry dreamers west, ship crops east and shrink the psychic distance of the continent.

The Homestead measures enabled settlers to claim small parcels of farmland west of the Mississippi, making new lives (and livelihoods) possible. The Morrill Act created land-grant universities, opening higher education to many throughout the country. The legislation of the Progressive Era brought a measure of humanity to the rigors of the industrial age and a democratization of power through women's suffrage and the direct election of Senators. The prosperity of the Roaring '20s proved short-lived, opening the way for the Age of Roosevelt and the New Deal.

Americans have been ambivalent about government since at least the time of George III, often approving its role when we benefit from it and disapproving when others seem to be getting something we aren't. The New Deal and particularly Social Security redefined the individual's relationship to the state, knitting the public and private sectors together much more closely. Long a more or less silent partner in people's lives, government became more evident as the U.S. struggled to survive the crisis of the 1930s.

We forget how extreme that crisis was for those who lived through it. Asked whether there had ever been anything like the Great Depression before, John Maynard Keynes replied, "Yes, it was called the Dark Ages, and it lasted 400 years." Democracy itself was in the dock, the American Dream a seemingly failed idea. Other dreams were now in play. The new age was up for grabs, it appeared, between the totalitarianism of Germany and Italy and that of Soviet communism. Roosevelt was said to have remarked that the two most dangerous men in America were Douglas MacArthur and Huey Long—possible dictators of the right and of the left.

Yet there was FDR, determined to preserve the world that Jefferson and Jackson had built and Lincoln had saved. The cataclysm of war lifted America to imperial status and set off an economic boom unrivaled in the history of the world. The war ended the Great Depression, but the work of the New Deal added a new dimension to the American Dream: the broad expectation that government had a role to play in advancing individual lives.

After the defeat of Hitler and of imperial Japan, the Dream was rekindled. Through the GI Bill and home loans and deductions for mortgage interest, as well as interstate rail and highways and Cold War defense spending, more Americans entered the middle class than ever before.

Even those long excluded from it. It is striking that the symbolic high-water mark of the civil rights movement was framed in terms of the American Dream. When Martin Luther King Jr. rose to address the March on Washington in August 1963, he described his dream of an integrated America as "deeply rooted in the American Dream." He was asking only for black Americans' rightful share of the life that most white Americans had come to take for granted: a life in which whites were judged by "the content of their character."

The Crack-Up

THE STORY IS FAMILIAR: JIM CROW WAS dying in the same hour many whites be-

lieved the American Dream was also in extremis. Social customs and values largely taken for granted were under assault. America seemed powerless in Vietnam and unmoored at home. By late 1967, columnist Joseph Kraft had put the phrase *Middle Americans* in political circulation. Richard Nixon called them "the silent majority."

In 1970 the editors of *TIME* named "the Middle Americans" as the Man and Woman of the Year, writing that with the exceptions of Daniel Patrick Moynihan and Henry Kissinger, Nixon's Administration was "like the reunion photograph of a Depression class that rose to the top by Horatio Alger virtues." One example *TIME* chose to note: "George Romney, the Secretary of Housing and Urban Development, is the son of a Mormon who was driven out of Mexico by Pancho Villa and supported his 10 children for a time as a carpenter in El Paso."

John Updike captured the cultural moment well in his 1971 novel *Rabbit Redux*. The middle-class protagonist, Harry "Rabbit" Angstrom, finds himself in a conversation about equality with a black man named Skeeter. "You talk as if the whole purpose of this country since the start has been to frustrate Negroes," says Angstrom. "Hell, you're just ten percent. The fact is most people don't give a damn what you do. This is the freest country around, make it if you can, if you can't, die gracefully."

The Dream that had survived the '30s barely dragged itself out of the '60s. In ensuing decades, the impact of economic growth has been uneven. The widening gap between rich and poor suggests the Dream is becoming more elusive for more people than at any other time in our history. Strangely, it's now possible for the French to be more socially and economically mobile than Americans.

Restoring the Dream

ECONOMIC FAIRNESS IS NOT A NEW CONCERN. "There is no reason why wealth, which is a social product, should not be more equitably controlled and distributed in the interests of society," wrote Adams in *The Epic of America*.

In fact there is a reason: by its very nature capitalism produces winners—and losers. Some dreams come true; some don't. Equality of outcome, though, is not the same thing as equality of opportunity, and equality of opportunity is at the heart of the American vision. "And that dream has been realized more fully in actual life here than anywhere else," Adams wrote, "though very imperfectly even among ourselves."

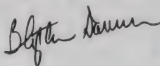
In 2003, Jim Cullen, a historian who teaches at the Ethical Culture Fieldston School in New York City, published an illuminating book titled *The American Dream*:

The widening gap between rich and poor suggests the Dream is becoming more elusive for more people than at any other time in our history

"My doctor and I
chose Prolia®.
Ask your doctor
if Prolia® is right
for you."

Blythe Danner

Award winning actress
taking Prolia® (denosumab)



Prolia® is a prescription medicine used to treat osteoporosis in women after menopause who:

- are at high risk for fracture, meaning women who have had a fracture related to osteoporosis, or who have multiple risk factors for fracture
- cannot use another osteoporosis medicine or other osteoporosis medicines did not work well



Important Safety Information

Do not take Prolia® if you have low blood calcium, are pregnant or plan to become pregnant, or are allergic to denosumab or any ingredients in Prolia®.

What is the most important information I should know about Prolia®?

If you receive Prolia®, you should not receive XGEVA®. Prolia® contains the same medicine as XGEVA® (denosumab).

Prolia® can cause serious side effects:

Low calcium levels in your blood (hypocalcemia). Prolia® may lower the calcium levels in your

blood. If you have low blood calcium, it may get worse during treatment. Your low blood calcium must be treated before you receive Prolia®. Your doctor may prescribe calcium and vitamin D to help prevent low calcium levels in your blood. Take calcium and vitamin D as your doctor tells you to.

Serious infections. Serious infections in your skin, lower stomach area (abdomen), bladder, or ear may happen. Inflammation of the inner lining of the heart (endocarditis) due to an infection may also happen more often in people who take Prolia®. You may need to go to the hospital for treatment.

Prolia® is a medicine that may affect your immune system. People who have weakened immune systems or take medicines that affect the immune system may have an increased risk for developing serious infections.

Skin problems. Skin problems such as inflammation of your skin (dermatitis), rash, and eczema have been reported.

Severe jaw bone problems (osteonecrosis). Severe jaw bone problems may occur. Your

For women with postmenopausal osteoporosis
at high risk for fracture: there's **Prolia**®.

Prolia® 2 shots a year proven to help strengthen bones.

Prolia® (denosumab) is different. It's a shot given 2 times a year
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- Significantly reduce fractures of the spine, hip, and other bones
- Help increase bone density

Is **Prolia**® right for you? Ask your doctor today.

By Prescription Only.

doctor should examine your mouth before
you start Prolia® and may tell you to see your
dentist. It is important for you to practice good
mouth care during treatment with Prolia®.

Before taking Prolia®, tell your doctor if you:

- Are taking a medicine called XGEVA® (denosumab). XGEVA® contains the same medicine as Prolia®.
- Have low blood calcium.
- Cannot take daily calcium and vitamin D.
- Had parathyroid or thyroid surgery (glands located in your neck).
- Have been told you have trouble absorbing minerals in your stomach or intestines (malabsorption syndrome).
- Have kidney problems or are on kidney dialysis.
- Plan to have dental surgery or teeth removed.
- Are pregnant or plan to become pregnant.
- Are breast-feeding or plan to breast-feed.

What are the possible side effects of Prolia®?

It is not known if the use of Prolia® over a long period of time may cause slow healing of broken bones or unusual fractures. The most common side effects of Prolia® are

back pain, pain in your arms and legs, high cholesterol, muscle pain, and bladder infection. These are not all the possible side effects of Prolia®.

For more information, ask your doctor or pharmacist. Call your doctor for medical advice about side effects.

You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch, or call 1-800-FDA-1088.

Please see Brief Summary of Medication Guide on the next page.

Ask your doctor about your bone strength and if Prolia® is right for you.



2 shots a year proven to help strengthen bones.

www.prolia.com



BRIEF SUMMARY OF MEDICATION GUIDE

Prolia® (PR0-lee-a) (denosumab) Injection

Read the Medication Guide that comes with Prolia before you start taking it and each time you get a refill. There may be new information. The Medication Guide does not take the place of talking with your doctor about your medical condition or treatment. Talk to your doctor if you have any questions about Prolia.

What is the most important information I should know about Prolia?

If you receive Prolia, you should not receive XGEVA®. Prolia contains the same medicine as Xgeva (denosumab).

Prolia can cause serious side effects including:

1. Low calcium levels in your blood (hypocalcemia).

Prolia may lower the calcium levels in your blood. If you have low blood calcium before you start receiving Prolia, it may get worse during treatment. Your low blood calcium must be treated before you receive Prolia. Most people with low blood calcium levels do not have symptoms, but some people may have symptoms. Call your doctor right away if you have symptoms of low blood calcium such as:

- Spasms, twitches, or cramps in your muscles
- Numbness or tingling in your fingers, toes, or around your mouth

Your doctor may prescribe calcium and vitamin D to help prevent low calcium levels in your blood while you take Prolia. Take calcium and vitamin D as your doctor tells you to.

2. Serious infections.

Serious infections in your skin, lower stomach area (abdomen), bladder, or ear may happen if you take Prolia. Inflammation of the inner lining of the heart (endocarditis) due to an infection also may happen more often in people who take Prolia. You may need to go to the hospital for treatment if you develop an infection. Prolia is a medicine that may affect your immune system. People who have weakened immune system or take medicines that affect the immune system may have an increased risk for developing serious infections.

Call your doctor right away if you have any of the following symptoms of infection:

- Fever or chills
- Skin that looks red or swollen and is hot or tender to touch
- Severe abdominal pain
- Frequent or urgent need to urinate or burning feeling when you urinate

3. Skin problems.

Skin problems such as inflammation of your skin (dermatitis), rash, and eczema may happen if you take Prolia. Call your doctor if you have any of the following symptoms of skin problems that do not go away or get worse:

- Redness
- Itching
- Small bumps or patches (rash)
- Your skin is dry or feels like leather
- Blisters that ooze or become crusty
- Skin peeling

4. Severe jaw bone problems (osteonecrosis).

Severe jaw bone problems may happen when you take Prolia. Your doctor should examine your mouth before you start Prolia. Your doctor may tell you to see your dentist before you start Prolia. It is important for you to practice good mouth care during treatment with Prolia.

Call your doctor right away if you have any of these side effects.

What is Prolia?

Prolia is a prescription medicine used to:

- Treat osteoporosis (thinning and weakening of bone) in women after menopause ("change of life") who:
 - are at high risk for fracture (broken bone).
- cannot use another osteoporosis medicine or other osteoporosis medicines did not work well.

It is not known if Prolia is safe and effective in children.

Who should not take Prolia?

Do not take Prolia if you:

- have been told by your doctor that your blood calcium level is too low.
- are pregnant or plan to become pregnant.
- are allergic to denosumab or any of the ingredients in Prolia. See the end of this leaflet for a complete list of ingredients in Prolia.

What should I tell my doctor before taking Prolia?

Before taking Prolia, tell your doctor if you:

- Are taking a medicine called Xgeva (denosumab). Xgeva contains the same medicine as Prolia.
- Have low blood calcium.

- Cannot take daily calcium and vitamin D.
 - Had parathyroid or thyroid surgery (glands located in your neck).
 - Have been told you have trouble absorbing minerals in your stomach or intestines (malabsorption syndrome).
 - Have kidney problems or are on kidney dialysis.
 - Plan to have dental surgery or teeth removed.
 - Are pregnant or plan to become pregnant. Prolia may harm your unborn baby. Tell your doctor right away if you become pregnant while taking Prolia.
- Pregnancy Surveillance Program:** Prolia is not intended for use in pregnant women. If you become pregnant while taking Prolia, talk to your doctor about enrolling in Amgen's Pregnancy Surveillance Program or call 1-800-772-6436 (1-800-77-AMGEN). The purpose of this program is to collect information about women who have become pregnant while taking Prolia.
- Are breastfeeding or plan to breastfeed. It is not known if Prolia passes into your breast milk. You and your doctor should decide if you will take Prolia or breastfeed. You should not do both.

Tell your doctor about all the medicines you take, including prescription and nonprescription drugs, vitamins, and herbal supplements.

Know the medicines you take. Keep a list of medicines with you to show to your doctor or pharmacist when you get a new medicine.

How will I receive Prolia?

- Prolia is an injection that will be given to you by a healthcare professional.
- Prolia is injected under your skin (subcutaneous).
- You will receive Prolia 1 time every 6 months.
- You should take calcium and vitamin D as your doctor tells you to while you receive Prolia.
- If you miss a dose of Prolia, you should receive your injection as soon as you can.
- Take good care of your teeth and gums while you receive Prolia. Brush and floss your teeth regularly.
- Tell your dentist that you are receiving Prolia before you have dental work.

What are the possible side effects of Prolia?

Prolia may cause serious side effects.

- See "What is the most important information I should know about Prolia?"
- Long-term effects on bone: It is not known if the use of Prolia over a long period of time may cause slow healing of broken bones or unusual fractures.

The most common side effects of Prolia in women who are being treated for osteoporosis after menopause are:

- back pain
- pain in your arms and legs
- high cholesterol
- muscle pain
- bladder infection

Tell your doctor if you have any side effect that bothers you or that does not go away.

These are not all the possible side effects of Prolia. For more information, ask your doctor or pharmacist.

Call your doctor for medical advice about side effects. You may report side effects to FDA at 1-800-FDA-1088.

How should I store Prolia if I need to pick it up from a pharmacy?

- Keep Prolia in a refrigerator at 36°F to 46°F (2°C to 8°C) in the original carton.
- Do not freeze Prolia.
- When you remove Prolia from the refrigerator, Prolia must be kept at room temperature [up to 77°F (25°C)] in the original carton and must be used within 14 days.
- Do not keep Prolia at temperatures above 77°F (25°C). Warm temperatures will affect how Prolia works.
- Do not shake Prolia.
- Keep Prolia in the original carton to protect from light.

Keep Prolia and all medicines out of reach of children.

General information about Prolia

Do not give Prolia to other people even if they have the same symptoms that you have. It may harm them.

The Medication Guide summarizes the most important information about Prolia. If you would like more information, talk with your doctor. You can ask your doctor or pharmacist for information about Prolia that is written for health professionals. For more information, go to www.Prolia.com or call Amgen at 1-800-772-6436.

What are the ingredients in Prolia?

Active ingredient: denosumab

Inactive ingredients: sorbitol, acetate, polysorbate 20 (prefilled syringe only), Water for injection (USP), and sodium hydroxide

A backyard wedding in Oakland Park, Kans.



A Short History of an Idea That Shaped a Nation. Asked how he assesses the state of his old subject today, Cullen says, "With a lot of folks, I'm afraid I'm not as optimistic as I was. An idea like this does not die overnight, but I'm worried."

What makes the current moment different from previous ebb times, Cullen notes, is the rise of the rest of the world. "In the 19th and 20th centuries, no one spoke of the French Dream or the Russian Dream, but in the 21st century it probably is possible to speak of a Chinese Dream," says Cullen.

Ronald Reagan was eloquent about American possibilities; so is Bill Clinton. Such different men, yet they were both products of a middle-class America that enabled the son of an alcoholic shoe salesman (Reagan) and the stepson of an alcoholic car salesman (Clinton) each to rise to the presidency.

Taken together, the political legacies of Reagan and Clinton are instructive as President Obama—or a President Romney—tries to rebuild a foundation under the middle class. Neither Reagan nor Clinton

was particularly doctrinaire; they believed in the capacity of individuals to build lives and create jobs. They differed in degree, not kind, on the question of government's role. Reagan said government was the problem but didn't do a great deal to dismantle it. Clinton declared the era of Big Government to be over but kept the country in the political center as the boom of the 1990s powered by information technology (with roots, inevitably, in government spending) created record surpluses.

And despite the fervently held views of their foes, neither Obama nor Romney is particularly doctrinaire either. This year the choice for President comes at a time when specific ideas about relieving and growing the middle class—education reform and access, for instance—seem less important than the present and the future of the overall economy. The most basic requirement of the American Dream is a job. In 1980 Reagan broke away from Jimmy Carter after asking, "Are you better off today than you were four years ago?" Romney will pose that question again and again; Obama will talk

about how it takes longer than three years to reverse a decade of decline. Obama will say Romney favors the rich; Romney will say he wants to create a country where everybody can once again dream of getting rich. The winner will be the one who convinces just enough of us that he, not the other guy, can fuel economic growth. It may not be an edifying conversation, but it's the conversation we're about to have. And both men will talk about the American Dream, but no single politician can restore the faith of our fathers and mothers. That's up to all of us.

We are stronger the wider we open our arms. Our dreams are more powerful when they are shared by others in our time. And we are the only ones who can create a climate for the American Dream to survive another generation, then another and another. "If the American dream is to come true and to abide with us," Adams wrote in 1931, "it will, at bottom, depend on the people themselves." True then, and true now. ■

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In Search of the Changing American Voter

Warning: the electorate of 2012 is very different from 2008's **By Mark J. Penn**

THE 137 MILLION VOTERS registered to go to the polls this November will not look like the 131 million who voted for President in 2008. And they are vastly different from the 96 million who voted the year Bill Clinton was re-elected. The U.S. has been changed by circumstance, economics, demographics and the simple passage of time. We are a youth-obsessed country that has never been older. We think of ourselves as politically polarized, but the edges are shrinking as the political center expands. The two campaigns are focusing on the ethnically static industrial Midwest while Latino voters in the South and West boom. We talk of ourselves as a nation of struggling workers, but the votes that matter most may be the swelling ranks of high-earning, college-educated professionals.

In this complex landscape, battlegrounds appear to be everywhere. Barack Obama must match or improve on his remarkable 2008 showing among Latino voters. That seems likely but is not guaranteed. Mitt Romney enjoys a striking advantage among America's fast-growing senior-citizen set, which is worried about the economy. Independents are almost evenly split, with Romney enjoying a slight advantage. Which means the election will be decided by a hard-to-typecast kind of voter, one likely drawn from the growing ranks of new professions that have emerged from the U.S.'s high-tech and services-based economy. Neither candidate has captured the hearts, heads or wallets of these voters, many of whom earn six figures. Quite the contrary: it defies political logic that Obama has made higher taxes on upper-income voters such a critical part of his campaign when those same voters are in a position to determine the outcome. Romney risks losing them with even the slightest appeal to voters on conservative social issues. These voters are pro-technology and internationalist in outlook and are, as a group, at the core of the U.S.'s competitive advantage. Like three other voter groups, they are up for grabs in 2012.



1. The Kennedy Generation

When John F. Kennedy was elected in 1960, he had the support of the majority of voters under 29. **Today those same voters are in their 70s or older, and they are still the fastest-growing part of the electorate. This year, more voters will be over 65 than are ages 18 to 29.** For all our obsession with Twitter, Facebook and social media, sales of hearing aids are growing faster than sales of new iPods.

Senior voters come in several different flavors. The youngest seniors, those in the baby-boom generation, split between Barack Obama and John McCain in 2008. Seniors who are in their mid- to late 70s—the Silent Generation—

were having kids by the 1960s and are generally more conservative; McCain won 53% of those voters, while Obama won 45%. Current polls show Mitt Romney winning this group by an even larger margin than McCain won it in 2008. The reason is clear: **a recent CNN poll shows that more than half of those 65 or older say they are worse off financially than they were a year ago.** Some 43% of this group believes the economy will improve only if Romney is elected. Against that, Romney's support for the austerity budget of Representative Paul Ryan of Wisconsin could prove a liability with seniors if Obama can depict it as an attack on entitlements. And that could dampen Romney's strength among seniors in Florida and Pennsylvania.

2. The Purple Nation

Polls reveal that some 40% of U.S. voters now classify themselves as independents, a record number. **America is becoming a purple nation where the biggest party is no party at all.** And while media outlets cater to niche audiences of partisans, more Americans have moved away from both parties. What has emerged instead is a big group of voters in the middle of the electorate that defies simple classification. **Evidence suggests that while these voters have moved to the left on social issues, they lean to the right on taxing and spending.** Even 41% of Democrats, according to a CNN/ORC poll, believe their taxes are too high. Above all, independents want candidates who solve problems and are willing to put aside

their ideologies to get things done.

But these hard-to-peg voters are not monolithic. One group, about 60% of independents, tends to align with Ross Perot—it is virulently antigovernment and focused on waste and spending. A smaller, faster-growing group is far removed from both the old-fashioned labor politics of the Democratic Party and the evangelical politics of the Republican Party. It is proenvironment and markedly more progressive in outlook. The first group tends to be male and older and to reside in rural and suburban areas. The second, by contrast, tends to be female and is younger, urban and better educated. Romney must win the first group overwhelmingly to have a shot at the presidency. Obama must own the second and get his share of the first to win.

Penn, the CEO of Penn Schoen Berland, served as a White House pollster for Bill Clinton and was an adviser on his 1996 re-election campaign



3. The New Professional Class

So far, the election season has been dominated by an odd discussion of manufacturing jobs at a time when all the U.S.'s job growth in the past 20 years has been in the service sector, especially among the professional class and in health care. **Both candidates would be more in step with the U.S. economy if they talked more about how the growing ranks of the college educated will find good jobs and how the millions of technical-job openings could be filled rather than putting such a relentless focus on manufacturing jobs.**

In 1960, only 45% of Americans who graduated from high school attended college—the focus was on getting kids

to make it into and out of high school. Today more than 70% of high school seniors will attend some college. As education has surged, so have high-wage-earning households. **All but unnoticed, voters from households that earn more than \$100,000 jumped from just 5% of the electorate in 1988 to 26% in 2008, far outstripping the rate of inflation.** And very high earners—voters who earned more than \$200,000—cast 6% of the votes in the last presidential election, according to CNN exit polls.

This generation-long shift toward more education and from one- to two-paycheck households, together with the advent of jobs and professions that didn't exist 30 years ago, has created a new professional class. This prosperous segment of the electorate drives the

booming sales of smart phones and computer tablets as well as massages and exercise equipment. Working in fields such as software engineering, media and communications and consulting of all kinds, these voters bring to American politics new attitudes far removed from those of the unionized manufacturing workers or the rotary- and country-club members of the past. **They support free enterprise but will also back sensible regulations on business. But these voters also believe in climate change; are pro-choice, more tolerant of gay marriage and less religious; and are often part of the global economy and the information revolution.**

They were split almost evenly by Obama and McCain in 2008, giving a Democrat a virtually unprecedented share of the upper-income vote. (In contrast, Reagan beat Carter by 40 points among top-5% voters, who then earned over \$50,000.) **Current polls show that this new professional class remains evenly split: college graduates favor Obama over Romney, while Romney edges Obama among men in these groups.** The two are statistically tied among voters who make more than \$100,000 a year.

4. Young and Latino

One of Obama's big advantages in the 2008 election was the nation's growing bloc of Hispanic voters, which broke for him by a 2-to-1 margin. **Latines now make up 16.3% of the U.S. population—and the Latino voting population has steadily increased since 1992, when it was only 2% of the electorate, to what is likely to be more than 10% of the electorate this fall.** The Latino population—more than 50 million strong—is young, which means that as those voters come of age, the Democratic share of the electorate should expand. **According to a recent poll, 61% of Latino voters plan to vote for Obama this fall, a drop from 2008.** For a million undocumented immigrants who were brought to the U.S. as children, Obama is halting deportations and offering the chance to get

a work permit. It was a bold stroke to shore up his Latino vote and drive a wedge between Romney and Latinos. It also put a spotlight on Republicans in Congress, who are more likely than Democrats to back stiff penalties against undocumented immigrants.

Both campaigns will pour money into Spanish-language radio and cable-television advertisements, each trying to make the other party appear hostile to Latinos. Those efforts are potentially make-or-break: while much of the Latino vote is in such solidly Democratic states as New York and California, it also constitutes double-digit percentages in other states, like New Mexico, Arizona, Nevada and Colorado, where Obama hopes to pick up vital electoral votes should the big swing states of Florida and Ohio go south on him.

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THE CULT OF APPLE IN CHINA

*China is where most of Apple's signature products
are built. One day it might also be where most of them are sold.
Why Apple is booming in China*

BY HANNAH BEECH/CHENGDU



The eggs started smashing against the Apple Store windows just before dawn. Most of the hundreds of people who swarmed the swank plaza adjacent to the glowing, glass-cube outlet had huddled all night long in Beijing's frigid January temperatures. But these weren't early adopters desperate for the

newly released iPhone 4S. Nor were they citizens outraged at the labor conditions inside the Chinese factories that churn out Apple gadgets. Instead, most were rural migrants who had been paid about \$15 each to purchase iPhones and then hand them over to scalpers who would sell them at inflated prices. (Each buyer was limited to two iPhones per day.) As light began streaking across the morning sky, tempers frayed. Some in the cold, tired crowd were desperate for cash to buy themselves another few days in the big city or, at the very least, a steaming bun for breakfast. A few scuffled with security guards. Eventually, an Apple employee emerged from the store and told the hordes of people that it would remain closed for fear of more violence. Fists flew. So did the eggs—duck and chicken alike. “It makes me really angry that they canceled the sale,” said a thick-necked scalper with a shaved head who had loitered in front of the Apple Store for 24 hours and paid a couple hundred migrants to queue for him. “How am I supposed to make money?”

The Chinese scalper may have lost out, but Apple hasn't. In its latest quarterly earnings statement, released in April, the company reported a staggering \$39.2 billion in revenue. It was a new record, and the surge was based in large part on a fivefold increase in iPhone sales in China, Taiwan and Hong Kong over the past year. (By contrast, iPhone sales dipped in the U.S. from January to March compared with the previous quarter.) Revenue for Greater China, as this market is called, tripled over the same period to \$7.9 billion—about 20% of global sales, compared with just 2% in 2009. A market that three years ago was an afterthought for Apple could soon overtake the U.S. market, the company's longtime consumer base. Credit Suisse estimates that China alone could generate almost \$30 billion in sales for Apple by 2015. “Apple fans in China have an almost religious passion,” says Sun Chonghui, an analyst with Shanghai-based iResearch Consulting Group. “It's hard to analyze this phenomenon rationally.” Sure enough, in April,

Chinese state media reported breathlessly about a teenager from eastern China who sold his kidney for about \$3,500 to buy an iPad and an iPhone.

Apple symbolizes the best of American Big Business—its innovative drive, its stylish flair, its advertising acumen. The company has also succeeded because of its deep and complex relationship with a country halfway around the world, where nearly all its gadgets are assembled. Labor violations within the tech firm's China supply chain—Apple has no factories of its own and instead contracts assembly out to a vast supplier network—have grabbed headlines in recent months.

But the supply-side problems are only part of the Apple story. The American company is thriving in China, even as other Western tech firms struggle with local competition and communications restrictions imposed by the authoritarian state. Apple products now serve as the ultimate totem of upward mobility in a country with a fast-growing middle class. “There's tremendous opportunity for companies that understand China, and we are doing everything we can to understand it,” said Timothy Cook, Apple's chief executive, during an April earnings conference call. “It was an incredible quarter [for Apple] in China. It is mind-boggling that we could do this well.”

Apple's relationship with the People's Republic embodies some of the global economy's brightest opportunities but also its thorniest dilemmas. An American tech giant must decide how much to adapt its practices in a faraway land. Should Apple represent the best of the West in the Middle Kingdom, or must it conform to the less salubrious way China Inc. operates? From China's side, how much longer will an increasingly nationalistic government allow foreign companies like Apple to profit so handsomely on its shores? Caught in the middle are 1.3 billion Chinese whose toil in factories and taste for luxury products will dictate the future of the world's marketplace.



American Icon

THE CULT OF APPLE IS BOOMING IN CHINA. An iPhone, the most popular Apple product by far, isn't just a cool gadget; it's a signifier of success. “Apple in China is a vanity product, not so much about functionality,” says Alan Guo, chairman of LightInTheBox.com, a China-based online retailer. “Because money was made so fast in China, rich people aren't very secure, so they want an easy status symbol to show they've made it.” The number of potential Apple customers is growing each day. “China has an enormous number of people moving into higher-income groups,” noted Cook in April.

So far, much of Apple's growth in China has been a lesson in how to prosper without really trying. Apple has only six stores in Greater China; four of those are its most profitable stores worldwide. The pervasive Apple billboards and marketing campaigns in the U.S. have

Wrong bite in
Chengdu a peddler
sells cell phones in
front of a fake Apple
store with its fake logo



no Chinese analogue. The iPhone was introduced in China in 2009, two years after it went on sale in the U.S. The latest iPad model, released in March, is still not available in mainland China—even though it is made in the southwestern city of Chengdu, where Apple's biggest supplier, Foxconn, has a major base. Until last year, the company's App Store didn't accept Chinese yuan. Apple has yet to sign a full agreement with the world's largest cell-phone carrier, China Mobile, which boasts 672 million subscribers, to support the iPhone.

Other Western companies are trying to increase market share in China by catering to local customers' preferences, whether by introducing skin-whitening creams for young women who long for pale complexions or by expanding the backseat legroom in the sedans that are often driven by chauffeurs. But Apple is selling the unique, or at least uniquely

American, appeal of its products in China. The company's emphasis on endless iPhone personalization—download this app, snap that photo, make your phone an extension of yourself—works. "People in China buy Apple because it symbolizes an individualistic Western lifestyle," says Yang Xi, a 29-year-old in Beijing who owns two Apple laptops, seven different iPods, an iPhone and an iPad. "In China, there are so many people. We like the idea of something that makes you special, that you can make your own."

Still, Apple is beginning to recognize the power of the localized pitch. As popular as Apple is, cheaper smart-phone brands like Samsung sell better in China. Local Apple clones that rip off iPhone styling have also captured a chunk of the market. Part of this is simply a matter of price. In a country where an urban Chinese person's annual income averages less than \$3,500, an iPhone is a luxury product

that costs more to buy in China than in the U.S. To compete, Apple in mid-June at long last unveiled targeted features to woo Chinese consumers. Updated software makes it easier to use Chinese Web offerings like Weibo, a microblogging service; video site Youku; and search engine Baidu. (Twitter, YouTube and normal Google searches are banned in China.) In the fall, Siri, Apple's artificial-intelligence software, will begin speaking Mandarin and Cantonese. Apple has also received local approval to open two more stores in Chinese cities.

These Apple stores will face fierce competition from unauthorized outlets, which have proliferated across the country and sell products for up to 50% more than officially sanctioned prices. Fake Apple stores rip off the detailing of real ones, from the giant, glowing Apple icons and minimalist wooden furniture to the signature blue T-shirts worn by staff. Last year, authorities in one southwestern city, Kunming, closed 22 stores that were illegally using the Apple logo, an icon so alluring in China that it sometimes is used on products beyond what the American company has dreamed up. Knockoffs of the iPhone 5 (some marketed as "hiPhone 5") are widely available in Chinese computer malls, even though the iPhone 5 does not yet exist. In February, police in the central city of Wuhan seized, for safety reasons, nearly 700 gas stoves that mysteriously had been branded with iPhone logos.

Coming Clean

APPLE WILL ALSO HAVE TO WIN OVER THE Chinese by convincing them that the company has the best interests of the People's Republic at heart. The vast majority of Chinese aren't up in arms about labor conditions at Apple's supplier factories. A cluster of suicides by Foxconn workers a couple of years ago elicited much more coverage in the West than in China. (Another Foxconn employee jumped to his death in June.)

China, however, is no longer a Wild East where foreign companies can act with impunity. Yes, the pervasiveness of corruption in China can make it difficult for American firms to operate without violating the U.S.'s Foreign Corrupt Practices Act. But multinationals, whose labor or environmental records may be less egregious than those of domestic manufacturers, are becoming ripe targets for sanctions by the Chinese government. In recent

months, American companies like Walmart have been slapped by Beijing for allegedly violating food safety standards. In March, when Tim Cook met with China's presumptive Premier, Li Keqiang, the Apple CEO enjoyed a reception akin to that of a visiting head of state. But Cook also got a lecture from the Chinese leader on how Apple, like other international firms operating in China, needed to "pay more attention to caring for workers and share development opportunities with the Chinese side," according to state news agency Xinhua. China's message was clear: We're rolling out the red carpet, but mind your manners.

Apple is changing in China—and the shift in attitude has to do with the new man in charge. Cook took over last year from Steve Jobs, the visionary Apple CEO who died of cancer in October. Under Jobs' leadership, the company embraced a culture of corporate secrecy that protected its technological innovations. The element of surprise ensured that each product launch would come with buzz—and a stock boost. Yet the obsession with privacy also made its China operations frustratingly opaque. For years, Apple refused to make its supply network public, a lack of transparency that gave the company a convenient way to dissociate itself from violations committed by its contract manufacturers in China. Jobs never visited China on official business.

By contrast, Cook, when he served as the company's chief operating officer, led Apple's efforts to streamline its operations and maximize profits by sending most of its supply chain overseas. He toured China to inspect the plants where labor violations were occurring. This year, when he made his first trip to China as Apple's CEO, Cook copped to the company's supply-chain problems. In January, Apple finally

IPHONES ARE TOUGH TO AFFORD IN CHINA

Cost of an iPhone* compared with average monthly income



BUT CHINESE INCOMES ARE IMPROVING

Average factory worker's hourly wage



WHICH FUELS APPLE'S CONTINUING GROWTH

Proportion of Apple revenue that comes from China



*16-GB iPhone 4S without contract. Sources: Apple; Boston Consulting Group; International Labor Organization

Kong-based labor watchdog Students and Scholars Against Corporate Misbehavior (SACOM) issued a report alleging that abuses like long hours and reliance on forced internships continued at Foxconn factories making Apple products. (In monthly updates, Apple now tracks working hours in China and says compliance has increased to around 90%.) "The kind of people who like Apple products tend to think of themselves as socially responsible," says Debby Chan, SACOM's project officer, "but their favorite company is failing them."

Apple declined to talk to TIME on the record about the specific

released a list of its leading suppliers. In its 2012 progress report, the company admitted that more than 60% of 229 audited suppliers failed to comply with a 60-hour maximum workweek and said 112 suppliers failed to deal properly with hazardous chemicals. Cook then authorized an independent audit of the company's Chinese suppliers, making Apple the first electronics firm to undergo such an investigation. The day after he toured a Foxconn plant that makes iPhones in central China, the audit was released, detailing wage, overtime and safety violations throughout Apple's China network. In response, Foxconn has promised to boost salaries and cut back hours without penalizing employees. Apple says it will share some of the costs to improve working conditions.

Not everything is transparent. Apple's catalog of suppliers doesn't include all the companies that manufacture components for the main suppliers. And even though Apple acknowledged in its annual progress report that violations occurred in its supply chain, the company did not specify which manufacturers were guilty of those misdeeds. In May the Hong

ics of its China operations. But as the world's leading electronics brand, Apple will set a precedent with its conduct in China for other foreign firms and even local manufacturers who need a business model to follow. "Foreign-invested companies have made great contributions to China's economic development," said Labor Minister Yin Weimin in March. "Of course, we have also noticed that problems exist at some companies, for example excessive overtime, too low pay for some workers and a lack of concern for people." As a global arbiter of cool, Apple may have a greater responsibility to bear. "Because Apple is so big and respected, if the company were to set the bar high in China, hundreds of other companies would follow in their path," says Ma Jun, a respected local environmentalist.

A Chinese Dream

AS DUSK FALLS, THE EXODUS BEGINS. THOUSANDS of workers have just finished their shift at Foxconn's Chengdu plant. Though they have spent at least eight hours on the job, an energetic thrum courses through the waves of laborers emerging from the gates. As they skip toward the bus that will take them to their cramped dormitories, gaggles of young women link arms and apply lipstick. Others tap messages into cell phones, arranging dinner dates or karaoke sessions. I spot a fair number of Foxconn couples. Given the hours they work, it's



IT'S SEE TIME'S COVERAGE OF APPLE. GO TO time.com/apple



Apple's army
Workers change shifts at the Foxconn factory in Chengdu

monologue—meeting a 14-year-old Foxconn employee, watching an assembly-line worker with a maimed hand caress an iPad—turned out to be figments of his imagination, although media exposés in recent months have documented labor abuses at Foxconn. None of the workers I spoke to were shy in their criticisms of their workplace. There were complaints about Foxconn's reliance on interns, some of whom were ordered by their vocational institutes into factory work even though they were studying unrelated majors like tourism. Long hours and boredom were the most common grievances. This is, after all, a factory job. Others said salary deductions cut into their take-home pay far more than they had expected. A few complained about acrid chemical smells that triggered headaches, as well as failing eyesight and cramped muscles from standing for hours at a time.

Yet Foxconn keeps signing on new workers, even though many other companies complain of labor shortages as Chinese youth increasingly eschew factory work. (Apple runs educational programs for workers in supplier factories.) Earlier this year, Foxconn announced that it would be adding 100,000 laborers to its payroll in Zhengzhou, where Cook visited in March. Starting salaries of \$260 a month were advertised. The line of job seekers reached half a mile. Even after all the criticism of Foxconn—the suicides, the industrial accidents, the punishing hours—young Chinese still want a job making Apple devices. “Our challenge is that we have to turn away good workers,” says Foxconn’s Woo.

It is late in the evening, and Liang Li has finished her shift on the production line at Foxconn Chengdu. The 23-year-old strolls hand in hand with her boyfriend, also a Foxconn employee. The pair walk past hot-pot restaurants teeming with Foxconn workers and enter a fluorescent-lit store. Liang is excited. She is about to plunk down \$430 for something she has coveted for months: an iPod Touch outfitted with a special box that allows it to work as a phone. (The phone adapter is not an official Apple device but a product of Chinese ingenuity.) The iPod Touch does not remind Li of long hours at the factory. Instead, the sleek Apple machine—designed in America, made in China—reflects what everyone in China and the U.S. dreams of: a better life. —WITH REPORTING BY CHENGCHENG JIANG/CHENGDU ■

The big boss
Tim Cook visits the iPhone production line at Foxconn in Zhengzhou



almost impossible for them to meet any one outside the factory.

Foxconn, a Taiwanese-owned parts-maker, employs about 1 million people in China. In 2010 it transformed a swathe of fallow land and a complex of empty buildings in Chengdu into its iPad-manufacturing nerve center. Some parts of the \$2 billion Foxconn compound were constructed in just a few months. In May 2011, four workers were killed when a buildup of aluminum dust exploded in a poorly ventilated room. “How can you build something in such a short time and not expect there to be problems?” asks SACOM’s Chan. (The independent audit of Apple earlier this year by the Fair Labor Association found that about 54% of the 16,648 or so workers in Chengdu that it surveyed had witnessed or been involved in an accident.) Foxconn

says the criticism is not totally fair. “It’s understandable why Foxconn is a ready-made target,” says Louis Woo, a special assistant to Foxconn CEO Terry Gou. “Since we are the largest consumer-electronics maker in the world and probably the largest private employer in China, this position carries a certain social responsibility. Foxconn is not perfect—there is no such thing as a perfect factory—but we aspire to be a better company every day.”

The sad truth is that Foxconn’s plants are a better work environment than many other Chinese factories. Some of the workers I spoke with said they took a job at the company’s Chengdu base because it beat working in a small sweatshop with fly-by-night owners. The tales that formed the crux of American dramatist Mike Daisey’s discredited

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*Based on annualized returns: 12 of 12, 11 of 12, 10 of 12, 12 of 12, and 12 of 12 of the Retirement Funds for identical months outperformed their Lipper average for the 1-, 3-, and 5-year performance periods as of 3/31/12, respectively. For Retirement Funds 2025, 2030, 2035, 2040, and 2045, Lipper average performance is 9/30/12; the 2025, 2030, 2035, and 2040 funds began operations on 1/29/04, the 2045 fund began operations on 1/13/05, and the 2045 opt 2045 fund began operations on 12/31/04. Source: Lipper Lipper Inc.

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PROSPECTUS

Family Guy creator Seth MacFarlane has written and directed his first feature film, *Ted*

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The Culture

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Photograph by Jeff Minton for TIME



CHROMATIC COUTURE Hermès's latest design inspiration: Polaroid pictures—specifically, the light-through-prisms work of Japanese photographer Hiroshi Sugimoto. Thanks to a recent collaboration, the French fashion house, which is best known for detailed, geometric prints, is now featuring his patterns in a new line of \$4,000 scarves.



Colin Powell
Secretary of State
2001-2005

"Hey, I just met you!"



President Obama

44th President
Jan. 20, 2009
1st term: 2009-2013
2nd term: 2013-2017



Joan Rivers

1948-2012
Comedian, actress, and author
1970s-1990s

"And this is crazy!"



2013-2014
2015-2016
2017-2018



2013-2014
2015-2016
2017-2018



MEMES

Call Us, Maybe?

These days, you're nobody until you've been caught on camera belting Carly Rae Jepsen's smash hit "Call Me Maybe." Here, we rate some high-profile performances.

1. Getting what you want, what you really, really want. TV execs reportedly want to make a 40-minute Spice Girls biopic that is pegged to the pop group's new musical, *Viva Forever*.

2. Wasting your Draw Something skills on friends and acquaintances.

CBS acquired the rights to a TV game show in which contestants play the popular iPhone game with celebrities—for cash prizes!

3. Bieber fever cooling off. Scientists at the University of Ottawa found that obsessing over the 18-year-old pop star is even more contagious than the measles, one of the world's fastest-spreading diseases.

SNEAK ATTACK

Cut the Chains

Move to Adidas: slavery is not an aesthetic. So turned thousands of consumers after the retailer debuted a pair of "Hainant" sneakers with faux animal-skinsoles. They were pulled from production, though interest may find a second home in the world's most funkiest shoes.



TOP MODEL

\$45 million

Amount Lady Gaga's new perfume (during the past year) making her the world's highest-paid pop musician, according to *Billboard*.



Bear with Me.

Family Guy's Seth MacFarlane makes a toy story

By Joel Stein

SETH MACFARLANE RELAXES BY SITTING IN HIS tasteful mansion, listening to big-band albums, watching old musicals and playing piano; he works by sitting at the kitchen counter and scribbling fart jokes. The creator of the animated, highly offensive Fox TV shows *Family Guy*, *American Dad!* and *The Cleveland Show* throws enormous Gatsby-like parties at his house and books a full orchestra. He is polite and thoughtful, with an easy laugh. It's as if you walked into the offices of *Mad* magazine in the 1960s and found out the editor was William F. Buckley Jr.

MacFarlane, 38, is visibly happy as he stands in a recording studio overseeing the 82-piece band that's scoring the DVD extras for his first movie, *Ted*. One of the extras is a joke cut from the beginning of the film, when a bunch of Boston kids beat up a Jewish boy as a birthday gift to Jesus. "There were a lot of Jesus jokes, so we figured, Let's go easy on the bastard," says MacFarlane, after asking the composer to skip the diminuendo as the kid gets pummeled on the screen above him. "You pick your Christ humor carefully. You don't go for both palms and feet."

Ted (out June 29) is about a boy whose Christmas wish is for his teddy bear to come to life and be his best friend forever and how, 30 years later, having a pot smoking, foulmouthed 2-foot-tall stuffed roommate can screw up your career and relationships. While the movie has all the R-rated verbal crudeness that MacFarlane can't put on his network shows, it's also got a gooiier center. Which is pretty new for him. He wanted to replicate the generally sunny tone of 1980s summer movies like *Back to the Future* and *E.T.*—and MacFarlane himself has a very sunny attitude. Not just because when he sold *Family Guy* to Fox at 24, he became the youngest person ever to run a network show. Not just because when Fox gave him a five-year contract for more than \$100 million in 2008, he became the highest paid TV writer in history. The dude

is just sunny. His favorite movie is *The Sound of Music*. He'd like to make a science-fiction show because, he says, "I feel like dystopia has taken over. Growing up, I watched Captain Picard on the *Enterprise*. It was a future you wanted to live in. Everything wasn't coated in black oil. It took outer space and made it look like *Dynasty*."

He might have the same liberal-atarian frustrations as his buddy Bill Maher—both are atheists who feel strongly about global warming, pot legalization and gay marriage—but he's got none of the vitriol. MacFarlane liked his parents. (His late mom did administrative work at the Connecticut prep school where his dad taught; his sister Rachael now does voices on *Family Guy* and *American Dad!*) "The guys who can pitch five good jokes in a minute are miserable and had a tougher childhood," he says. "It takes me a little longer. I have to work a little harder."

MacFarlane is a meta-comedy machine, stacking towers of high and low cultural references, absurdism (a human-size chicken often appears to beat up the dad on *Family Guy*), deeply offensive humor (a bouncy tune called "You Have AIDS") and *Family Guy*'s impossibly concise 10-second cutaway jokes, like one in which an indie director remakes *Brokeback Mountain* from the horses' point of view. MacFarlane is a hero to young men—*Family Guy* is the No. 1 scripted show among men ages 18 to 24—which is why in 2008, the Obama campaign took the risk of having him stump for the candidate in Ohio.

When Mark Wahlberg's agent, Ari Emanuel, asked him to read a script about a guy with a teddy bear written by a guy who writes cartoon shows, Wahlberg tried to say no. Emanuel harped on him; Wahlberg read it and liked it. Then he watched an episode of *Family Guy*. "I said, 'O.K., it's a cartoon, so I'll watch it in front of my children. It's on regular TV,'" Wahlberg says. "Stewie poops in his diaper, so he makes the dog eat the poop and so he throws up and



MacFarlane's 2011 album of big-band standards received two Grammy nominations



makes the dog clean up the puke. My wife starts screaming at me and shuts it off. That was it—I was an instant fan."

Ted is about a boy-man who must grow up, and it's not surprising that MacFarlane made it at this point in his life. Since getting that \$100 million contract, he has hired a trainer, lost 35 pounds, gotten his teeth whitened and slicked back his hair so he looks more like the Rat Pack entertainer he wants to be (he took six months of tap-dance lessons) than the nerd he is (he took six months of tap-dance lessons). Last year he released a Grammy-nominated swing album, *Music Is Better than Words*. After short relationships with models and young actresses such as Eliza Dushku and Amanda Bynes, he says he's been looking for a more serious relationship. "Actresses have a lot of daddy issues," he says. "If you're an asshole, it kind of works in your favor. I refuse to wear jewelry, so that makes it harder."

But the main reason he finally made *Ted* wasn't his own increasingly grownup life—it was technology. MacFarlane first planned *Ted* as another animated TV show but decided to do a live-action movie after seeing how motion-capture animation (seen in *Avatar* and *The Lord of the Rings* movies) could make lifelike characters. He thought motion capture would be even more powerful in comedy, where realistic expressions and gestures are more crucial than in science fiction. So MacFarlane directed a \$50 million movie

No one questions his talent. But some think those talents don't lead to deep-enough work

while wearing a spandex suit with balls stuck on it, so he could jump into scenes to perform the voice of the teddy bear.

His greatest skill is as a voice actor. He does three of the main voices on *Family Guy* (which is basically *The Honeymooners*, animated), the lead on *American Dad!* (*The Honeymooners* making fun of Republicans) and one on *The Cleveland Show* (black *Honeymooners*). "I'd been at *The Simpsons* too," says Rich Appel, a co-creator of *The Cleveland Show*, "and with the best voice actors, it's immediately apparent. He seamlessly shifts from distinct character to distinct character." MacFarlane, who studied animation at the Rhode Island School of Design (RISD), also draws all his characters. When Mila Kunis, who plays Wahlberg's girlfriend in *Ted*, had to fly from the movie's Boston set back home to L.A. to put her dog Shorty to sleep, MacFarlane drew her a picture. "He cartooned Shorty and *Family Guy*—ed him. It made me cry," says Kunis, who has known MacFarlane since she was 15 and began voicing the daughter on *Family Guy*. "And it was amazing. He drew it from his memory.

He remembered what Shorty looked like."

No one questions MacFarlane's talent. The only criticism he's gotten, besides from decent Dog-fearing people everywhere, is that those talents don't lead to deep-enough work. *South Park* creators Trey Parker and Matt Stone will not let up. One *South Park* episode portrayed the *Family Guy* writing staff as manatees poking balls labeled with random ideas and jokes down a tube to generate episodes. "That was hilarious and spot-on. It made us rethink our cutaway style," MacFarlane says. "But I've never quite understood the venom they let loose in interviews about *Family Guy* and about me. I've only met Matt and Trey a couple of times, and I don't remember sodomizing them. Maybe that's the problem." He pauses. "Those are the things you shouldn't say."

MacFarlane is always calm and hyper rational. On Sept. 10, 2001, he gave a lecture at RISD; the next morning, he arrived too late at Boston's Logan Airport to make his flight home. That flight hit the north tower of the World Trade Center. But MacFarlane has said it never haunted him, that it was a random close call with no deeper resonance. He's passionate about getting America to be less superstitious and more aware of basic science. After meeting astrophysicist Neil deGrasse Tyson, he became a producer on Tyson's new version of Carl Sagan's *Cosmos*, which MacFarlane persuaded Fox to air in prime time next year.

"He called to have lunch and asked me 20 questions about the big bang, the early universe, cosmic background radiation, dark matter and dark energy," Tyson says. "A few months later, Stewie's time machine on *Family Guy* takes him back to the big bang. During the end credits, I noticed I was credited as science consultant. Seth is always working, even when he's just hanging out."

Maybe *Ted* is about how MacFarlane is working on himself instead of just working—sitting in his office writing and drawing until he collapses and has to go to the emergency room, which happened early in his *Family Guy* career. Maybe *Ted* is a signal that he now wants to write stuff with heart, get married, have kids, slow down. That sounds right. Except that at the end of *Ted*, after the guy gets the girl by growing up, he keeps his teddy bear. ■



Tuned In

Blowhardball HBO's *The Newsroom* makes a better editorial than a drama

By James Poniewozik

THE FOURTH EPISODE OF AARON SORKIN'S *The Newsroom* is called "I'll Try to Fix You." That may as well be the title of the whole series. Like Sorkin's *The West Wing*, the show wants to fix America, this time through the story of Will McAvoy (Jeff Daniels), a successful, cynical and bland cable-news anchor who decides that he, and journalism, and yea, democracy, can do better.

Which means what? Will's producer/ex-girlfriend MacKenzie McHale (Emily Mortimer) explains: "Reclaiming the fourth estate. Reclaiming journalism as an honorable profession. A nightly newscast that informs a debate worthy of a great nation. Civility, respect and a return to what's important. The death of bitchiness, the death of gossip and voyeurism. Speak truth to stupid—" She's not nearly done, but I have only a page here. Yes, articulate characters are Sorkin's gig. But on *The Newsroom* (Sundays, HBO), people simply open their mouths and perfectly formed op-eds fall out. Which means that *The Newsroom* needs to be reviewed two ways: as a drama and as an editorial.

Its chief problem as a drama is that, well, it's an editorial. It kicks off with one: Will is on a political-debate panel at Northwestern, biting his tongue to avoid offending anyone. But when a young female student asks him why the U.S. "is the greatest country in the world," he snaps. "It's not," he says, reeling off a Wikipedia entry of stats—"27th in math! 22nd in science! 49th in life expectancy!"—to prove his point.

The three-minute tirade goes viral on YouTube and leads Will to change his life and his newscast. From now on, he won't hold back his beliefs; he'll call a lie a lie. And *The Newsroom* becomes one long Keith Olbermann Special Comment.

The *Newsroom*, which also idealized a discredited institution, was hardly



speech-shy, but it had richly drawn, plausible, memorable characters. *The Newsroom* has media-criticism delivery devices. As Will, Daniels doesn't so much act as periodically explode, and he goes from jaded sellout to blustery idealist in less time than it took Clark Kent to change in a phone booth. He's surrounded by an office of generic workaholics—with a rom-com subplot cribbed from *West Wing*'s Josh and Donna—and he jousts with a string of Tea Party politicians, tabloid journalists and wicked corporate suits who may as well be allegorical figures named Ignorance, Vanity and Avarice. (An unsettling proportion of these encounters involves Will condescendingly lecturing ditsy women.)

Sorkin's dialogue, at least, is as nimble as ever. If you want to watch *The Aaron Sorkin Eloquently Expresses Things You Already Believe Hour*, this is your show. "Abolishing the minimum wage would create jobs," Will (a registered Republican, we're

told repeatedly) barks at a Tea Party guest. "You know what else would? Slavery!"

As media criticism, *The Newsroom* makes excellent points: that stories don't always have two sides (some have one, some five); that money pressures are a threat to serious news; that viewers don't need a pal but an advocate. But there's something off about the series' basic premise that Will used to get huge ratings by being safe and anodyne, "the Jay Leno of news." The past decade of red-meat cafeterias Fox and MSNBC argues the opposite. If anything, Will's old don't-piss anyone off approach is what has led CNN (a unit of Time Warner, like Time and HBO) to dive in the prime-time ratings.

This blind spot is all the more puzzling since Fox, MSNBC and CNN all exist on the show, in which Will works for the fictional ACN channel. Sorkin's best idea was to set *The Newsroom* in the real world (roughly two years ago) amid real news. In the second half of the pilot, as Will's staff covers the breaking BP oil spill, the show really bursts to life. It's tense, electric and genuinely stirring, giving us a gut sense of why this ugly job is worth doing.

But big news can't break all the time, as today's cable channels know well. In between, they prop up the ratings by dragging out the soapboxes. In that sense, *The Newsroom* will fit right in.

Will goes from sellout to blustery idealist in less time than it took Clark Kent to change in a phone booth

Sports



Trained by SEALs. The elite unit preps London-bound Olympians for action

By Sean Gregory

WHEN A NAVY SEAL TELLS YOU TO GET wet, you'd better soak yourself real good. That was a lesson the U.S. Olympic sailing team learned the hard way last March during a surprise training session with the SEALs, who ordered the athletes into a frigid Colorado Springs lake. Since it was about 40°F outside, some sailors didn't exactly charge into the water like summer campers—or even dunk their heads. When they returned to shore, teeth chattering, a SEAL asked Zach Railey, a silver medalist in Beijing, a question: “Does wet hair move?” No, Railey replied. The SEAL blew on one of Railey's female teammates' dry ponytail. It wisped. So the SEALs marched the team back into the drink to freeze their asses off some more.

If the U.S. sailors collect medals in London, they can give some thanks to the SEALs. Over the past two years, the killer elite unit has put eight Olympic teams through the kind of agonizing trials a SEAL encounters in BUD/S (basic under-

water demolition/SEAL) classes. It's logical that athletes in endurance sports such as cycling and rowing would undergo a SEAL initiation, but the matchup of Special Ops and sailing—with its soft, country-club image—seems less intuitive. In truth, though, Olympic level sailors need amazing dexterity and the ability to make critical decisions in changing conditions in order to guide dinghies through wind and rough waves. “No matter what the sport is, you want to take athletes out of their comfort zone,” says Wendy Borlabi, a psychologist with the United States Olympic Committee who forged the partnership with the

The officers drilled 42 sailors the first day; only 18 finished all the tasks. Some sobbed

SEALs after she joined the USOC in early 2010. “The SEALs are a natural fit.”

Likewise, many Olympians may be a natural fit for the SEALs, which is why the Navy sees these training drills as a recruiting tool worth the taxpayer investment. “I'd be lying if I said we weren't interested in our community getting some awareness from these programs,” says Rob Stella, chief special-warfare operator for the SEALs. (Since women can't become SEALs, the Navy hopes they talk up the experience to their male peers.) Stella says four Olympians who worked out with the SEALs have made plans to sign up after the 2012 Games. (Swimmer Larsen Jensen, a silver medalist in Athens, enlisted after winning bronze at the Beijing Olympics, though he did not train with the SEALs beforehand.)

SEAL sessions usually begin in a classroom setting with a lesson on mental toughness that stresses visualization, setting microgoals—in which you focus intensely on the task in front of you—with positive self-talk and breathing exercises that decrease anxiety. Then the SEALs deliver the pain. The officers drilled 42 sailors the first day; only 18 finished all the tasks. Some were sobbing. “Everything they do is pretty much the worst thing they can make us do,” says Lauren Crandall, captain of the U.S. field-hockey team, which also worked out with the SEALs. “It's just flipping tires, carrying logs, doing more push-ups, doing more push-ups, doing more push-ups. Then if you lose, you do more push-ups.”

The SEALs directed the field-hockey team to jump into the cold Pacific Ocean, then roll in the sand, a drill known not so fondly as the sugar cookie. At a follow-up session at the inland Olympic-training center near San Diego, the players relaxed a bit. At least we'll avoid the ocean, the women thought. Instead, the SEALs took the ocean to them. At a 5 a.m. session, the players spotted boats lined up on a beach-volleyball court. “They filled the boats up with water,” says Crandall. “Chief Stella—bless his heart—was nice enough to buy \$100 worth of ice.” Cookie time.

Stella gives Crandall and her teammates high marks. “These field-hockey girls, they're like the average woman. They're petite. They're athletic, but they

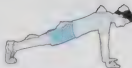
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don't look like some kind of power lifters," he says. "But they were crushing it." It included a drill in which six or seven women joined together to lift a 230-lb. log over their heads and run a set of relay races. Stella has worked out some college football studs—he won't name them—who could not carry out this task. One

NFL prospect quit on him. Not the field hockey players.

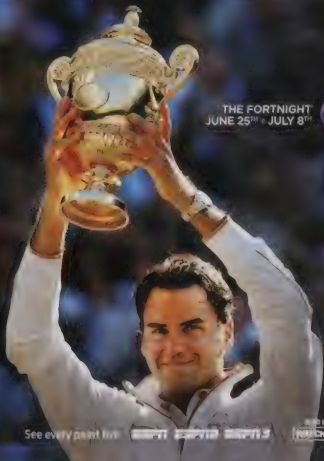
On another occasion, after 4½ hours of punishment, Stella told the players to run 2,500 ft. up the San Miguel Mountain near San Diego. When they reached the top, the athletes feared they'd have to sprint back down. Instead, the SEALs re-

warded the women with sandwiches and sports drinks. The group rode down the mountain in vans. "It was a little 'attaboy' at the end there," says Stella. "We always finish on a high note."

That high note was sustained at last October's Pan Am Games, where the U.S. field hockey team upset the world's top-ranked squad at the time—Argentina—4-2 to qualify for London. Stella will give the players one more pep talk before the Olympics and will spare them the logs, ice and sugar cookies. The military message has stuck. "When you're tired and it's the last few minutes of the game and your team needs you to score because that's your job, you just need to put on this extra game face," says Katie O'Donnell, a field-hockey striker. And you can, she adds, "because you've done SEALs. You say, I've done it before. Nothing is harder."

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By Tim Newcomb

TIME July 2, 2012



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Das Auto.

Joel Stein



Acropolis Now

It's not hard to rescue Europe from Greece. Even I have a plan

EVERY FEW DECADES IT FALLS UPON an American to save Europe: Woodrow Wilson in 1917, FDR in 1941, Reagan in 1987 and now me. I come to the job having saved many things, including a lot of aluminum foil that I made into a pretty large ball in the 1980s. I've saved my career in ways so surprising, the journalistic community has referred to it as failing up. I also saved my marriage after I called my wife the C word. I'd like to see Angela Merkel pull that off.

Americans have gotten lame at bossing Europe around, like we had forgotten both the Roosevelt Corollary to the Monroe Doctrine and the fact that most of these countries have parliaments with porn stars in them. We need to put Europe in its place. Which I think is northeast of Asia and maybe south-north of Africa. Americans don't have to know geography. Because other than one regrettable instance, we don't kill one another over borders. Even then, we don't get unnecessarily specific. We just lump groups into "North" and "South."

After decades of study, starting with a boyhood trip to Orlando, I have figured out that a perfect Europe would look exactly like Epcot: a bunch of slightly different restaurants that all accept the same brightly colored currency and have hostesses who say hello in a native language and then talk to you in English. So far, all the European Union has been able to do is the currency part. Also, Epcot has a reasonable five European countries, but actual Europe has 49. In their desperate attempt to become the U.S., they added members faster than cheap 1980s jacket manufacturers. We've got to get it down below 10. Not everything really counts as "Europe." No one brags to her friends,

"After college, I'm going to get a Eurail pass and bum around in Yerevan!" There are no great New York City restaurants serving \$30 Albanian harapash. No liberal says, after a Democratic sex scandal, "Why can't the U.S. have a less uptight attitude about sexuality, like in Malta?"

Next, you take the southern countries—Italy, Spain, Portugal—and you make a rule that as soon as men hit 21, they can see their mothers only once a week. You can't have a productive society in which every adult male still lives at home, having his meals cooked and laundry done for him. Plus, it's hard to have a growing economy when the average European couple has only 1.5 kids. And it's hard to even have 1.5 kids when your mom can hear you having sex in the room next door.

Also, no one in southern Europe feels like they have to pay taxes. It's like an entire region of New Hampshire. Also, the unemployment rate in Sicily is way too high. You can solve two problems at once by making every tax collector Sicilian. By the end of the year, you'll not only have no debt crisis but no more annoying street demonstrations about it either.

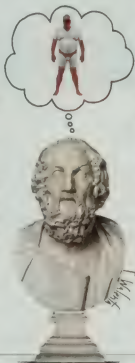
But most important, the northern countries have to stop whining about bailing out the southern ones and just send regular checks to Greece, Spain, Portugal and Italy. That's how every economy works: the rich parts give the poor parts money so they can buy their stuff. Milan sends

money to Naples; Beijing sends money to the provinces; PEOPLE magazine sends money to TIME. In America, we're happy to send the South cash so people there can buy our industrial goods, and in return, we watch them play professional sports. The Germans need to realize that they have a similar trade-off going: the euro allows the Greeks to afford Volkswagens, and in return, every time they go to the beach, they have to look at sunburned, fat Germans in Speedos. You try to eat feta cheese after that.

Fairness, which is what the northern Europeans demand, is the rallying cry of idiots. A world that is fair—where everyone pays the same dollar amount in taxes, Jay Leno is off the air and my book outsells *Fifty Shades of Grey*—is unfortunately not as efficient. Game theory demands that you take what you can even if it doesn't seem just. Yelling at the Greeks to work more and retire later isn't going to do any good. It's a very normal cycle for countries to achieve something

big and then lazily enjoy their accomplishments. Only with the Greeks it's been going on for nearly 2,200 years. Since the Fourth Macedonian War, their only accomplishment has been making yogurt taste a tiny bit better.

Yes, there are short-term fixes to the European debt crisis—take all of the European Central Bank's money and short Facebook; lower the price of gas so that people use European roads; build a film industry that makes movies where things actually happen—but Europe needs radical, political, continent-building change. Because when these people squabble about anything—inflation, archduke murders, electrical-outlet shapes—the world suffers. And I'll be damned if I'm going to learn the names of all those currencies again.





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10 Questions

Rice, at age 9, was the first person to tell her parents that President Nixon had resigned.



U.S. Ambassador to the U.N. **Susan Rice** on Syria, torture and whether celebrities are helpful

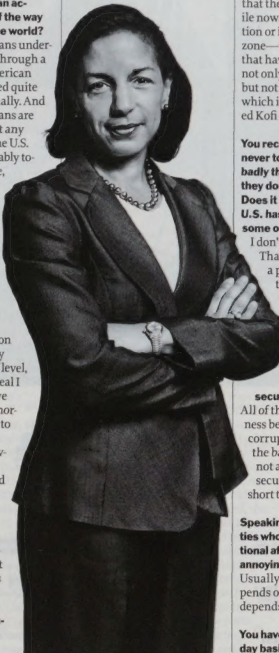
Do Americans have an accurate impression of the way they are viewed in the world?

I think most Americans understand that we went through a period in which American leadership was judged quite critically internationally. And I think most Americans are aware that by almost any objective measure, the U.S. is viewed more favorably today than it was three, four years ago.

You've said your greatest regret was not pushing hard enough for the U.S. to intercede in Rwanda in 1994. Is that influencing your current thinking on Syria?

I was a junior staffer on the National Security Council. At that staff level, there wasn't a great deal I personally could have done, although I felt horrible when I was able to visit Rwanda and see the extraordinary devastation and walk through a churchyard that was littered with bodies. It had a profound impact on me. But I'm a policy-maker and a pragmatist. I understand that not every situation is identical.

Are there any circumstances under which the U.S. would act



in Syria without the U.N.?

Our aim is to not intensify the violence but to reduce it. What we have done is to ratchet up the economic pressure on the [Bashar] Assad regime such that the economy is quite fragile now. Arming the opposition or implementing a no-fly zone—the kinds of solutions that have been mooted—are not only not readily available but not suited to our objectives, which is why we have supported ed Kofi Annan's peace plan.

You recently advised students never to want something so badly that they do something they don't believe in to get it. Does it seem to you that the U.S. has broken that rule with some of its foreign policy?

I don't agree with [torture]. That's why I've supported a policy and an Administration that have said we're not going to torture or use extreme interrogation tactics.

Even for issues of imminent national security?

All of those who do this business believe that you get corrupted information on the basis of torture. You do not advance our national-security interests in the short term or in the long term.

Speaking of torture: celebrities who get involved in international affairs. Helpful or annoying?

Usually helpful. But it depends on the celebrity, and it depends on the issue.

You have to worry on a day-to-day basis about genocide,

poverty, Libya, Syria, Sudan and Yemen. What do you do with the worries that ordinary people have, like, Are my kids doing their homework? Is my portfolio balanced?

The kids are Job One. So, to be quite candid, if they need me, I do my utmost to make sure I'm there. This has been a challenge that we all have as we balance work and career. My kids have been incredibly supportive of the work that I do. They understand why it matters.

You are a Rhodes scholar. What was your sport? Basketball and tennis.

Basketball? I'm taller than you.

Obviously you don't know the game. I played point guard in high school and graduate school.

Have you shot hoops with the President?

He has the wisdom to play with people who are far more skilled than I.

You have been mentioned as a possible Secretary of State after Hillary Clinton leaves. Is it something you'd like to do? I want to do whatever I can do to help President Obama and our country. So I'm—I've loved what I've been doing here at the United Nations, and I'll do whatever I can to be most helpful.

Come on! People say you've wanted this since you were 5 years old. Then they don't know me very well.

—BELINDA LUSCOMBE

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In 1862, President Lincoln said start. He never said stop.

With the stroke of a pen, President Lincoln signed the Pacific Railway Act and charged us with an extraordinary task – connecting the nation. Through ambition, innovation and technology, we've helped build this country into what it is today. As we celebrate our 150th anniversary, we thank you all – employees, customers, communities and shareholders. Union Pacific proudly serves you, today and tomorrow. Join the celebration at www.up150.com.



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